LOUISIANA

Ernest B. Martin, Baldwin.
T. Oliver Thibodaux, Donaldsonville.
William O. Woodward, Dubach.
Newton H. Nelson, Forest Hill.
Clarfie J. Trosclair, Harvey.
Elmer Wyble, Sr., Port Barre.
Willie L. Hazlip, Water Proof.

MAINE

William B. French, Andover.
Robert M. Dolloff, Brooks.
Chandler S. Bunker, Franklin.
Emma L. Davis, Hampden.
Doretha C. Bridgham, Jonesboro.
Chester C. Tuttle, Kennebunk.
Ellis H. Parlin, Machias.
Donald N. Coombs, Stonington.
Mabelle F. Rose, Tenants Harbor.
Donald W. McIntire, Weld.
Frank Scott, Wilton.

MASSACHUSETTS

Arthur G. Dodge, Charlton.
Gertrude M. Fallon, North Chelmsford.
Francis A. Webb, Osterville.
Maxwell S. Gifford, Rochester.
Martha L. O'Toole, South Barre.
Albert O. Bullard, Jr., Sterling Junction.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 11, 1947

The House met at 11 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou God of all goodness, we are lifting our hearts unto Thee in prayer, compelled by many needs which Thou alone art able to supply.

When we think and plan for greater national prosperity and well-being, let us never forget that "righteousness exalteth a nation and that a nation is great whose God is the Lord."

Fill us with an earnest desire to make the struggle of life less difficult for all the members of the human family.

Kindle within us a keener sense of social responsibility. Help us to understand more clearly that the question, "Am I my brother's keeper?" must be answered conclusively in the affirmative.

Hear us for the sake of our blessed Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3993. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. YOUNG, Mr. BRIDGES, Mr. SALTONSTALL, Mr. DWORSHAK, Mr. OVERTON, Mr. TYDINGS, and Mr. GREEN to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 493) entitled "An act to amend section 4 of the act entitled 'An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia,' approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 ed.)," disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KEM, Mr. COOPER, and Mr. HOLLAND to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. GRAHAM asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Philadelphia Inquirer.

Mrs. ROGERS of Massachusetts asked and was granted permission to extend her remarks in the RECORD and include a letter from the commander of the American Legion, Col. Paul Griffiths.

Mr. REEVES asked and was granted permission to extend his remarks in the Appendix and include an editorial.

Mr. LEFEVRE asked and was granted permission to extend his remarks in the RECORD and include an article by Mark Sullivan.

THE HOUSING SHORTAGE

Mr. RABIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RABIN. Mr. Speaker, despite all of the talk that we have had since the end of the war about the housing shortage, that shortage is still with us.

It would serve no useful purpose to enter into a discussion as to why it has not been solved. The fact remains that it has not been solved.

I firmly believe that H. R. 285, which I introduced, offers a surgical remedy for the shortage rather than a protracted and uncertain cure. It proceeds on the theory that if we were at war today and if a war could be won merely by building houses, we would soon build our way out of the shortage. It, in effect, lends to private industry the war powers of the Government to help solve the critical housing situation.

However, I now wish to suggest an aid to construction which will be readily accepted, I believe, by all interested in housing—the builders, mortgage lending institutions and the real-estate fraternity generally, and the public.

I recommend that in order to stimulate building of apartment buildings of all classes, including low-cost, medium- and high-grade apartments, that Congress authorize deductions under section 124 of the Internal Revenue Code for excessive construction costs. These amortization deductions will be in a form similar to that allowed for amortization of emergency facilities over a period of 60 months, as set forth in that section of the code. I believe that the provision will give an incentive to builders and it will encourage them to start building operations at once.

It is hoped that building construction costs will come down, but to wait until that time will not solve the problem now when it needs to be solved. It is necessary to start building before costs come down, and to stimulate such immediate construction some beneficial tax provision should be adopted.

I propose to introduce a bill to accomplish this objective.

SOLUTION FOR THE HOUSING PROBLEM

Mr. LYNCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LYNCH. Mr. Speaker, I have listened with a great deal of interest to the remarks of my colleague the gentleman from New York [Mr. RABIN], suggesting a depreciation allowance for new housing construction over a 5-year period for income-tax purposes. The gentleman from New York [Mr. RABIN] is one of the best-qualified real-estate experts whom I know. For many years he was counsel and chairman of the New York State Mortgage Commission, which handled $900,000,000 of mortgages, 20,000 mortgage issues, and actually managed over 4,000 buildings, refinancing and renting those buildings. He introduced into the Congress H. R. 285 which, in my judgment, if enacted would go a long way toward solving our housing problem. I have filed a petition to discharge the Banking and Currency Committee from further consideration of this bill, and I would urge the Members to sign the petition.

Let me summarize briefly the main features of the bill.

It directs and authorizes the President of the United States, through such agencies as he may designate:

First, to commence the construction of housing facilities in any part of this country where necessary and essential for the public welfare;

Second, to requisition any material for the purpose of such construction;

Third, to condemn such sites and acquire such land as may be necessary for that program;

Fourth, to let out contracts to private industry on any basis the President may deem most expeditious; and

Lastly, upon the completion of any structure, to sell it to private ownership for the best price obtainable, reserving the right to manage until a sale is effectuated.

In short, this measure provides for immediate construction. It provides for all types of housing—low-cost housing, medium-cost housing, or even high-priced housing, depending upon the needs of any particular locality. It provides for either temporary or permanent housing. It bypasses all of the controversies indulged in by the conflicting schools of thought on housing. It cuts red tape. It makes time of the essence and, although we have already lost this year's building season, we may still recoup some of that loss by immediate action on this bill.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject of old-age security.

Mr. ROONEY asked and was given permission to extend his remarks in the Appendix of the RECORD, and to include a letter published in the Washington Evening Star.

Mr. GATHINGS asked and was given permission to extend his remarks in the Appendix of the RECORD and include three statements.

Mr. VURSELL asked and was given permission to extend his own remarks in the Appendix of the RECORD.

THE PRESIDENT AND THE TAX BILL

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, the ill-advised statement by President Truman given out while the tax bill is being considered by the Senate that he would veto the bill, in effect, converts the office of the Presidency into a powerful lobby seeking to influence the actions of the Congress, the representatives of the people.

It is further evidence that he has broken his promise made to the people when he was humbled by the election returns in November, that he would cooperate with the Congress in carrying out the will of the people. And it is further evidence that he is being influenced by, and is lined up solidly with the CIO and the left-wingers who do not want the people to have relief from crushing wartime taxes.

If he is not rebuked by the Congress in passing this tax bill over his veto, he will be rebuked by the 49,000,000 taxpayers of the Nation when he seeks their support for the Presidency in 1948. All Presidents, from Washington down, have recognized in the past that under the Constitution it is the prerogative and duty of the Congress to devise and enact revenue legislation to carry on the functions of the Government.

President Truman is on dangerous ground when he attempts to thwart the will of the people expressed through their Representatives here in Washington. Such a veto strikes a dangerous blow at our form of representative constitutional Government.

REAL ECONOMY VERSUS IMAGINARY ECONOMY

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GATHINGS. Mr. Speaker, I want to talk about economy. Now, there are two kinds of economy here in Washington. There is imagined economy, whereby you save $1,000,000 this year, but next year you pay out two million. That is the brand of economy we have in chopping up the agriculture program. And, then, there is real economy. I am for real economy in government. I always have been. I believe a great saving can be effected for the American txapayer by reducing government personnel and by more efficient operation of Federal departments. But I do not believe in an economy which has as its purpose the destruction of a program that is essential to the American way of life, a program that has been of untold benefit, not only to the farmer but to the Nation as a whole.

Who among you does not remember the early years of the depression? The years when the farmer was down and out. And, what is more, the land itself was down and out. It was tired and worn. A good part of it was wasteland.

Today we see a different picture. We see the magnificent results of the farm program of the Democratic administration. We see restored and renewed farm lands. We see farmers who are more prosperous than before.

Today the economy-minded among us say, "Can't we cut a few million or so off the agriculture program? There's no need to spend all that money on the farmers." Yes; that is what they are saying.

And that is what they have done. Now, is that real economy? You and I know that it is just the opposite. It is imagined economy. It is reckless and it is short-sighted, to say the least.

Let us just look into one of the services of the farm program that the House voted to eliminate in 1948—the soil-conservation program. Back when thousands of acres of American farm lands were useless, the administration concentrated all its efforts toward restoring the land. The farmer was taught ways to keep the soil healthy and productive. New methods were introduced. The productive capacity of the land was increased many times. Now, we have not become so blessed in this Nation that we can afford to let a single acre of land go to waste. In these days, we never know when we may need every single productive acre that we have.

But economy is the order of the day—and so soil conservation was left out of the agriculture program for 1948.

What was their reason for doing this? Surely, they do not really believe that we should ever let the land run to wrack and ruin again. No; that was not their thought. Their thought was to make good some campaign promises—and in order to do this they had to cut down somewhere. So they decided that, since the farm areas were now fairly prosperous, a few million dollars cut out of the farm program, they argued, would not cause any great harm—and that is a perfect example of the reasoning behind their economy moves.

We from the farm districts were outnumbered. We fought to save all we could of the farm program. It was due to our efforts that instead of the six million asked for by the Republicans to continue agriculture research the bill now provides for nine million five hundred thousand. We also won out in our fight to restore $40,000,000 for section 32 funds. These funds will support the farm prices for 1947 farm commodities and assure the farmer 92½ percent parity for his cotton.

I voted to keep the farm program at full strength—soil conservation, rural electrification, school-lunch program, research for cotton, and all the rest—because I believe that today, more than ever before, a farsighted farm program is vitally important. It is as much a part of our defense in this unsettled world as any gun or shell or airplane—and any man who votes to cut a single cent from it is inviting disaster. In Europe and in the Far East there is hunger—and there is fear—fear of what tomorrow may bring. Communism stalks in the wake of fear and hunger. A hungry world looks to the United States for help and for inspiration—and we know that we must stand ready to give it to them, for, unless we do, we may find ourselves standing alone one of these days—an island in a sea of hostile nations—an island in a sea of communism. If we remain prosperous, if we avoid depression, if our democracy continues strong and healthy, we will hold the greatest weapon in the world against the spread of communism—and we will have nothing to fear.

The agriculture appropriation bill is now in the Senate and I am hopeful that that body will see fit to at least restore the funds for soil conservation. If this is done, I hope that the House will go along.

NAVY DEPARTMENT APPROPRIATION BILL, 1948

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House on the bill (H. R. 3493) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1948, and for other purposes, may have until midnight to file a conference report and statement.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE ESTABLISHMENT OF SEAT OF FEDERAL GOVERNMENT IN DISTRICT OF COLUMBIA

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Joint Resolution 129, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, etc., That, to provide for the appropriate commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia in the year 1800, there is hereby established a commission to be known as the National Capital Sesquicentennial Commission (hereinafter referred to as the "Commission") and to be composed of 15 commissioners, as follows: The President of the United States, who shall be ex officio chairman; the President pro tempore of the Senate and the Speaker of the House of Representatives, ex officio; three Senators to be appointed by the President pro tempore of the Senate and three

Representatives to be appointed by the Speaker of the House of Representatives; three residents of the District of Columbia to be appointed by the President after receiving the recommendations of the Board of Commissioners of the District of Columbia; and three prominent citizens resident in the District of Columbia at large to be appointed by the President. The commissioners, with the approval of the chairman, shall select an executive vice chairman from among their number.

SEC. 2. It shall be the duty of the commission, after promulgating to the American people an address relative to the reason of its creation and of its purpose, to prepare a plan or plans and a program for the signalizing the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia; to give due and proper consideration to any plan which may be submitted to it; to take such steps as may be necessary in the coordination and correlation of plans prepared by State commissions or by bodies created under appointment by the governors of the respective States and Territories or by representative civic bodies; and, if the participation of other nations in the commemoration be deemed advisable, to communicate with the governments of such nations.

SEC. 3. When the commission shall have approved of any plan of commemoration, then it shall submit such plan, insofar as it may relate to the fine arts, to the Commission of fine arts for its approval, and, insofar as it may relate to the plan of the National Capital and its history, to the National Capital Park and Planning Commission and the Board of Commissioners of the District of Columbia for their joint approval, and in accordance with statutory requirements.

SEC. 4. The commission, after selecting an executive vice chairman from among its members, may employ a director and a secretary and such other assistants as may be needed to organize and perform the necessary technical and clerical work connected with the commission's duties and may also engage the services of expert advisers without regard to civil-service laws and the Classification Act of 1923, as amended, and may fix their compensation within the amounts appropriated for such purposes.

SEC. 5. The commissioners shall receive no compensation for their services, but shall be paid actual and necessary traveling, hotel, and other expenses incurred in the discharge of their duties, out of the amounts appropriated therefor.

SEC. 6. The commission shall, on or before the 2d day of January 1948, make a report to the Congress, in order that further enabling legislation may be enacted.

SEC. 7. The commission shall expire December 31, 1952.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADDITIONAL COMPENSATION TO CERTAIN EMPLOYEES OF THE HOUSE

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 281) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That effective July 1, 1947, there shall be paid out of the contingent fund of the House, until otherwise provided by law, additional compensation per annum, payable monthly, to certain employees of the House, so long as the positions are held by the present incumbents, as follows:

OFFICE OF THE DOORKEEPER

To the superintendent of the House Press Gallery the sum of $500 basic; first assistant to the superintendent of the House Press Gallery the sum of $400 basic; second assistant to the superintendent of the House Press Gallery the sum of $300 basic; messenger of the House Press Gallery the sum of $300 basic; superintendent of the folding room the sum of $520 basic; two chief pages the sum of $400 basic each; two assistant floor managers in charge of telephones the sum of $300 basic each.

CLERK OF THE HOUSE

To the enrolling clerk the sum of $800 basic; assistant reading clerk the sum of $1,000 basic.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ESTATE OF WILLIAM M. DAY

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 282) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to the estate of William M. Day, late an employee of the House, an amount equal to 6 months' salary at the rate he was receiving at the time of his death, and an additional amount not to exceed $250 toward defraying the funeral expenses of the said William M. Day to Mrs. Ida R. Day, the first wife.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORITY GIVEN CLERK OF THE HOUSE

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 283) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That during the period of any adjournment or recess of the House after the close of the first session of the Eightieth Congress until January 3, 1948, the Clerk of the House is authorized to pay out of the contingent fund of the House an amount equal to 6 months' salary of any deceased employee of the House at the rate such employee was receiving at the time of his or her death and an additional amount not to exceed $250 toward defraying the funeral expenses of any such employee to whomsoever in the judgment of the Clerk is justly entitled thereto subject to the approval of the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING CITY AND COUNTY OF HONOLULU TO ISSUE SEWER BONDS

Mr. FARRINGTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1419) to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the Delegate from Hawaii?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Legislature of the Territory of Hawaii, any provision of the Hawaiian Organic Act or of any act of this Congress to the contrary notwithstanding, may authorize the city and county of Honolulu, a municipal corporation of the Territory of Hawaii, to issue general-obligation bonds in the sum of $5,000,000 for the purpose of enabling it to construct, maintain, and repair a sewerage system in the city of Honolulu.

SEC. 2. The bonds issued under authority of this act may be either term or serial bonds, maturing, in the case of term bonds, not later than thirty years from the date of issue thereof, and, in the case of serial bonds, payable in substantially equal annual installments, the first installment to mature not later than 5 years and the last installment to mature not later than 30 years from the date of such issue. Such bonds may be issued without the approval of the President of the United States.

SEC. 3. Act of the Session Laws of Hawaii, 1947, pertaining to the issuance of sewerage-system bonds, as authorized by this act, is hereby ratified and confirmed subject to the provisions of this act: *Provided, however,* That nothing herein contained shall be deemed to prohibit the amendment of such Territorial legislation by the Legislature of the Territory of Hawaii from time to time to provide for changes in the improvements authorized by such legislation and for the disposition of unexpended moneys realized from the sale of said bonds.

Mr. FARRINGTON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FARRINGTON:

Page 1, lines 8 and 9, after the word "construct", strike out the comma and the words "maintain, and repair."

Page 2, line 10, after the word "act", insert "9."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXCESSIVE EARNINGS OF NATURAL-GAS COMPANIES UNDER THE RIZLEY BILL, H. R. 4051

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include some tables that I have prepared.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, it is unfortunate that H. R. 4051, known as the Rizley bill, should be hastily rammed through Congress at this time.

Under present regulations the natural-gas companies' earnings are skyrocketing. They are now engaged in tremendous expansion programs of their facilities which, in turn, will add immeasurably to their increased earnings.

This proposed bill removes all practical regulation and places the consumers at the mercy of the gas monopolies. A recent release of the Federal Power Commission shows that for the year ending April 30, 1947, the net incomes of natural-gas companies have increased over net earnings for the year ending April 1946 by 19.8 percent, while the gas operating revenues have increased during the same period by 13 percent. These net earnings and operating revenues are steadily advancing. A comparison between April 1947 and April 1946 discloses an increase in net incomes of natural-gas companies under the regulation of the Federal Power Commission of 58.2 percent.

As of January 3, 1947, the book cost, less depreciation and amortization reserves of these natural-gas companies aggregated approximately $1,292,000,000. Between January 1, 1947, and May 3, 1947, natural-gas companies applied to the Federal Power Commission for certificates for additional facilities totaling expenditures of $1,222,977,569—almost doubling their plant investments.

These figures show that the natural-gas companies are thriving under the Natural Gas Act, and investors are anxious to invest capital under this act as it is now written.

For example, Southern Natural Gas Co., which operates in my district, filed an application on May 1, 1947, with the Federal Power Commission to construct new facilities requiring an expenditure of $43,625,895. It must be remembered that the Federal Power Commission in March 1946 reduced this company's rates by $1,200,000—which they would recapture, plus an extra $3,000,000, if this bill should become law.

In my opinion the income of Southern Natural Gas Co. could be increased by the filing with the Federal Power Commission of increased rates based upon the application of the provisions of section 5½ (2) and (3 of this bill, to the total gas purchased. This may be brought about by Southern Natural Gas Co. purchasing its gas through its present subsidiary, Southern Production Co., or some other subsidiary which it might organize.

Under the provisions of this bill the prevailing market price in the field for gas purchased from a subsidiary or affiliate must be allowed in any rate proceeding.

Southern Natural is primarily a natural gas transmission company, which produced only 457,657,000 cubic feet of gas in 1946 out of its total receipts of 72,858,361,000 cubic feet or about six-tenths of 1 percent.

Southern Natural purchased 14,124,000,000 cubic feet of gas at the well mouth in Louisiana at an average of 3.84 cents per 1,000 cubic feet, and 8,684,285,000 cubic feet at the well mouth in Texas at an average of 3.47 cents per thousand cubic feet.

The average cost of gas at the mouth of the well, therefore, was 3.7 cents per thousand feet.

Assuming that Southern Natural elected to purchase its gas through its subsidiary, Southern Production Co., Inc., at a field price of 8 cents per 1,000 cubic feet the cost of gas purchased would increase 4.3 cents per 1,000 cubic feet for 72,858,000,000 cubic feet, or a total amount of $3,132,894.

Now, remember that gas is sold in the Monroe, La., field by producing gas companies such as Southern Carbon Co. and United Carbon Co. in excess of 8 cents per 1,000 cubic feet.

Since Southern Production is a 100-percent owned subsidiary, Southern Natural would receive the $3,132,894 as dividends available for its common stock. The present earnings on its common stock and the earnings that would be available under the proposed bill based upon the actual results of operations for the year ended December 31, 1946, would show an increase from 11.3 to 22.3 percent in rate of earnings available to the common stockholder:

Total capital stock and surplus	$28,293,789
Net income, 1946	$3,190,202
Actual rate of earnings available to common stockholder (percent)	11.3
Increase in net income permitted by proposed bill	$3,132,894
Net income on proposed regulatory basis	$6,323,096
Proposed rate of earnings available to common stockholder (percent)	22.3

The increased cost of gas purchased would be subject to Federal income tax because it is not actual cost which would be claimed as a tax deduction by either company.

Whether the increased income tax is a cost to be charged to rate payers or is to be borne by the stockholders cannot be determined from the provisions of the proposed bill. Undoubtedly the natural-gas companies would claim that they should be reimbursed for increased income taxes under the intent of the proposed bill, otherwise they would not receive full benefit of the field price.

Assuming that the utility prevailed in the contention that increased income taxes should be passed on to the ratepayers the required increase would be $3,132,894 divided by 62 percent, at the present 38 percent tax rate. The over-all increase would be $5,053,054 based upon the field price of 8 cents per 1,000 cubic feet, and the actual operations for the year 1946.

INCREASE OF 12.8 CENTS PER 1,000 CUBIC FEET TO GENERAL SERVICE CUSTOMERS

The over-all increase in cost of gas in the amount of $5,053,000 would apply to both resale and direct industrial sales in the ratio of 81.4 percent and 18.6 percent respectively.

The resale of gas constitutes the regulated business. Therefore, 81.4 percent of $5,053,000 or $4,113,142 would represent the increased revenue to be obtained from regulated customers in the three States served by Southern Natural. The break-down of sales and increased cost by States to the ultimate consumers in Mississippi, Georgia, and Alabama is as follows:

	1,000 cubic feet sales	Increased cost	Present gas rates per 1,000 cubic feet	New gas rates per 1,000 cubic feet
			Cents	*Cents*
Mississippi	5,029,313	$358,584	19.5	26.62
Georgia	36,613,181	2,606,858	18.1	25.22
Alabama	16,119,366	1,147,700	17.3	24.42
Total sales for resale	57,761,860	4,113,142		

The average cost of gas sold under this bill would increase 7.12 cents per 1,000 cubic feet because of gas lost in compressor stations, and so forth. However, sales for resale include both industrial and general service sales. For example, in Mississippi general service sales in 1946 amounted to 2,803,505,000 cubic feet out of the total sales for resale of 5,029,313,000 cubic feet.

If the rate increase were applied to general service customers and not to the industrials, as most likely would be the case, the cost of gas would increase 12.8 cents instead of 7.12 cents per 1,000 cubic feet.

INCREASE OF $56,000 TO TUPELO, MISS., GENERAL SERVICE CUSTOMERS

Tupelo, Miss., my home town, is the primary load on the Amory-Tupelo lateral line. In 1946 the gas sales to general service ratepayers on this lateral amounted to 437,430,000 cubic feet. The increase at 12.8 cents would amount to $56,000 annually at the 1946 level of sales.

Increase to other Mississippi communities served by Mississippi Gas Co.

	General service, sales, 1,000 cubic feet	Increase
Brooksville	10,730	$1,327
Columbus	257,388	32,946
Louisville	126,748	16,224
Macon	41,366	5,295
Meridian	799,105	102,285
Starkville	115,892	14,834
West Point	120,310	15,400
Total		188,311
Tupelo, Aberdeen, Amory, Nettleton		56,000
Total, Mississippi Gas Co.		244,311

The effect of this bill would be to foreclose future rate reductions and permit natural-gas companies to increase rates without effective regulation.

At the present time there is in the process of being distributed to consumers approximately $48,000,000 of impounded funds by the courts which was accumulated during litigation involving two rate orders of the Federal Power Commission as to the Panhandle Eastern Pipe Line Co. and Cities Service Gas Co. Natural gas transported by these companies is consumed in the State of Illinois,

Indiana, Ohio, Michigan, Missouri, Kansas, Nebraska, Oklahoma, and Texas.

If this bill had been in effect at the time of these rate proceedings, no reduction in rates and in turn no distribution of this money to the consumers would have been possible.

For the information of the House, I am inserting a summary of eight regulated natural-gas companies showing the increased earnings available for common stockholders and the increased revenues required from the regulated class of consumers.

The matter referred to follows:

Summary of 8 regulated natural-gas companies—computation showing increased rate of earnings available for equity capital and increased revenues required from regulated customers using 7-cent field price

Company	Common stock and surplus (1)	Net income available for equity capital (2)	Rate of actual earnings (percent) (3)	Increased "cost" of sales for resale assuming field price of 7 cents per 1,000 cubic feet (4)	Increased net income (5)	Rate of increased earnings (percent) (6)	Increased income tax at 38 percent (7)	Increased revenues required (8)	Type of company	Principal market
			(2)÷(1)		(2)+(4)	(5)÷(1)	(4)×0.6129	(4)+(7)		
Southern Natural Gas Co.	$28,293,789	$3,190,202	11.3	[1]$2,550,148	$5,740,350	20.3	$1,562,994	$4,113,142	Transmission	Mississippi, Alabama, Georgia.
Colorado Interstate Gas Co.	6,478,848	1,612,501	24.9	1,141,062	2,753,563	42.5	699,357	1,840,419	do	Denver, Cheyenne.
Panhandle Eastern Pipeline Co.	38,121,119	7,133,134	18.7	4,134,838	11,267,972	29.6	2,534,256	6,669,094	Transmission and production.	Detroit.
Texoma Natural Gas Co.	4,790,464	957,713	20.0	3,660,145	4,617,858	96.4	2,243,303	5,903,448	Production	Chicago.
Natural Gas Pipeline Co. of America.	23,200,857	2,556,301	11.0	3,445,046	6,001,347	25.9	2,111,469	5,556,515	Transmission	Do.
Subtotal, Chicago								11,459,963		
Cities Service Gas Co.	38,845,288	5,430,350	14.0	3,676,072	9,106,422	23.4	2,253,065	5,929,137	Transmission and production.	Kansas City.
Northern Natural Gas Co.	31,049,264	5,315,398	17.1	1,288,964	6,604,362	21.3	790,006	2,078,970	do	Nebraska, Iowa, Minnesota.
Tennessee Gas & Transmission Co.	22,101,372	3,448,655	15.6	1,883,048	5,331,703	24.1	1,154,120	3,037,168	Transmission	Ohio, Pennsylvania
Total								35,127,893		

[1] Computed at 8 cents per thousand cubic feet for gas purchased in the Monroe, La., gas field.

Mr. Speaker, this bill should be recommitted to the committee from which it came for further study and investigation.

How can a Member of this House support this measure and then go home and explain to his people why this unnecessary burden was added to the cost of natural gas to the ultimate consumers?

This bill should be recommitted, by all means.

COMMITTEE ON VETERANS' AFFAIRS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs be permitted to sit today during general debate.

Mr. RANKIN. Mr. Speaker, reserving the right to object, may I ask what bills will be taken up?

Mrs. ROGERS of Massachusetts. Subcommittee bills, I will say to the gentleman. The gentleman from Ohio [Mr. RAMEY] has certain bills for consideration in the subcommittee.

Mr. RANKIN. Is it going to be an executive session or open hearing?

Mrs. ROGERS of Massachusetts. I understand it will be an executive session.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

EXTENSION OF TITLE III OF SECOND WAR POWERS ACT

Mr. MICHENER. Mr. Speaker, I call up the conference report on the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act shall be cited as the 'Second Decontrol Act of 1947.'

"FINDINGS OF FACT AND DECLARATION OF POLICY

"SEC. 2. (a) Certain materials and facilities continue in short supply at home and abroad as a result of the war. The continued exercise of certain limited emergency powers is required to complete the orderly reconversion of the domestic economy from a wartime to a peacetime basis, to protect the health, safety, and welfare of the American people, and to support the foreign policy of the United States.

"(b) The Congress hereby declares that it is the general policy of the United States to eliminate emergency wartime controls of materials except to the minimum extent necessary (1) to protect the domestic economy from the injury which would result from adverse distribution of materials which continue in short world supply; (2) to promote production in the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States; (3) to make available to countries in need, consistent with the foreign policy of the United States, those commodities whose unrestricted export to all destinations would not be appropriate; and (4) to aid in carrying out the foreign policy of the United States.

"TEMPORARY RETENTION OF CERTAIN EMERGENCY POWERS

"SEC. 3. To effectuate the policies set forth in section 2 hereof, title XV, section 1501, of the Second War Powers Act, 1942, approved March 27, 1942, as amended, is amended to read as follows:

"'SEC. 1051. (a) Except as otherwise provided by statute enacted during the Eightieth Congress (including the First Decontrol Act of 1947 and Public Law Numbered 145, approved June 30, 1947) and except as otherwise provided by subsection (b) of this section, titles I, II, III, IV, V, VII, and XIV of this Act and the amendments to existing law made by such titles shall remain in force only until March 31, 1947. After the amendments made by any such title cease to be in force, any provisions of law amended thereby (except subsection (a) of section 2 of the Act entitled "An Act to expedite national defense, and for other purposes", approved June 28, 1940, as amended) shall be in full force and effect as though this Act had not been enacted.

"'(b) Title III of this Act and the amendments to existing law made by such title shall remain in force until February 29, 1948, for the exercise of the powers, authority, and discretion thereby conferred on the President, but limited to—

"'(1) the materials (and facilities suitable for the manufacture of such materials), as follows:

"'(A) Tin and tin products, except for the purpose of exercising import control of tin ores and tin concentrates;

"'(B) Antimony;

"'(C) Cinchona bark, quinine, and quinidine, when held by any Government agency or after acquisition (whether prior to, on, or after July 16, 1947) from any Government agency, either directly or through intermediate distributors, processors, or other channels of distribution, or when made from any of such materials so acquired;

"'(D) Materials for export required to expand or maintain the production in foreign countries of materials critically needed in the United States, for the purpose of establishing priority in production and delivery for export, and materials necessary for manufacture and delivery of the materials required for such export;

"'(E) Fats and oils (including oil-bearing materials, fatty acids, butter, soap, and soap powder, but excluding petroleum and petroleum products) and rice and rice products, for the purpose of exercising import control only; and nitrogenous fertilizer materials for the purposes of exercising import control and of establishing priority in production and delivery for export;

"'(F) Materials (except foods and food products, manila (abaca) fiber and cordage, agave fiber and cordage, and fertilizer materials), including petroleum and petroleum products, required for export, but only upon certification by the Secretary of State that the prompt export of such materials is of high public importance and essential to the successful carrying out of the foreign policy of the United States, for the purpose of establishing priority in production and delivery for export, and materials necessary for the manufacture and delivery of the materials required for such export: *Provided*, That no such priority based on a certification by the Secretary of State shall be effective unless and until the Secretary of Commerce shall have satisfied himself that the proposed action will not have an unduly adverse effect on the domestic economy of the United States; and

"'(2) The use of transportation equipment and facilities by rail carriers.

"'(c) Notwithstanding the extension through February 29, 1948, made by subsection (b), the Congress by concurrent resolution or the President may designate an earlier time for the termination of any power, authority, or discretion under such title III. Nothing in subsection (b) shall be construed to continue beyond July 15, 1947, any authority under paragraph (1) of subsection (a) of section 2 of the Act entitled "An Act to expedite national defense and for other purposes", approved June 28, 1940, as amended, to negotiate contracts with or without advertising or competitive bidding; and nothing contained in this section, as amended, shall affect the authority conferred by Public Law 24, Eightieth Congress, approved March 29, 1947, or the Sugar Control Extension Act of 1947.'

"TEMPORARY EXTENSION OF CERTAIN EXPORT CONTROLS

"SEC. 4. To effectuate the policy set forth in section 2 hereof, section 6 (d) of the Act of July 2, 1940 (54 Stat. 714), as amended, is amended to read as follows:

"'(d) The authority granted by this section shall terminate on February 29, 1948, or any prior date which the Congress by concurrent resolution or the President may designate.'

"EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

"SEC. 5. The functions exercised under title III of the Second War Powers Act, 1942, as amended (including the amendments to existing law made by such title), and the functions exercised under section 6 of such Act of July 2, 1940, as amended, shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of sections 3 and 10 thereof.

"ADMINISTRATION BY SECRETARY OF COMMERCE

"SEC. 6. (a) The Secretary of Commerce, subject to the direction of the President, shall have power to establish policies and programs to effectuate the general policies set forth in section 2 of this Act, and to exercise over-all control, with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, 1942, as amended, and section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended. The Secretary is further authorized, subject to the direction of the President, to approve or disapprove any action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to enable him to perform the functions, powers, and duties imposed upon him by this section.

"(b) The Secretary shall make a quarterly report, within thirty days after each quarter, to the President and to the Congress of his operations under the authority conferred on him by this section. Each such report shall contain a recommendation by him as to whether the controls exercised under title III of the Second War Powers Act, 1942, as amended, and section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended, should or should not be continued, together with the current facts and reasons therefor. Each such report shall also contain detailed information with respect to licensing procedures under such Acts, allocations and priorities under the Second War Powers Act, 1942, as amended, and the allocation or nonallocation to countries of materials and commodities (together with the reasons therefor) under section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended.

"PERSONNEL

"SEC. 7. Notwithstanding any other law to the contrary, personnel engaged in the performance of duties related to functions, powers, and duties delegated by the President under the Second War Powers Act of 1942, as amended, and section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended, and whose employment was terminated, or who were furloughed, in June or July 1947, may be reemployed to perform duties in connection with the functions, powers, and duties extended by this Act.

"APPROPRIATIONS

"SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this Act.

"EFFECTIVE DATE

"SEC. 9. This Act shall take effect on July 16, 1947."

And the Senate agree to the same.

Amend the title so as to read: "An Act to extend certain powers of the President under title III of the Second War Powers Act and the Export Control Act, and for other purposes."

EARL C. MICHENER,
RAYMOND S. SPRINGER,
FADJO CRAVENS,
Managers on the Part of the House.

ALEXANDER WILEY,
JOHN SHERMAN COOPER,
PAT MCCARRAN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment to the text of the bill strikes all of the House bill after the enacting clause. The committee of conference recommend that the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment which is a substitute for both the House bill and the Senate amendment, and that the Senate agree to the same.

The first section of the bill as agreed to in conference is the same as the first section of the Senate amendment. It provides that the act shall be cited as the "Second Decontrol Act of 1947."

Section 2 of the bill as agreed to in conference is the same as section 1 of the House bill except that there is added in subsection (b) an additional statement of policy contained in section 2 of the Senate amendment declaring that it is the general policy of the United States to eliminate emergency wartime controls of materials except to the minimum extent necessary to make available to countries in need, consistent with the foreign policy of the United States, those commodities whose unrestricted export to all destinations would not be appropriate.

Section 3 of the bill as agreed to in conference proposes to amend title XV, section 1501, of the Second War Powers Act, 1942, in the same manner as proposed by the House bill, except for typographical and clarifying changes, and the following:

(1) The House bill proposed to extend certain powers under title III of the Second War Powers Act through January 31, 1948. The Senate amendment proposed to extend certain powers under title III of the Second War Powers Act through June 30, 1948. The bill as agreed to in conference proposes to extend certain of those powers through February 29, 1948.

(2) The House bill contained a proviso providing that controls shall not apply to cinchona bark, quinine, and quinidine now held or hereafter acquired by other than Government agencies. Under the bill as agreed to in conference title III of the Second War Powers Act will remain in force through February 29, 1948, with respect to cinchona bark, quinine, and quinidine when held by any Government agency or after acquisition (whether prior to, on, or after July 16, 1947) from any Government agency, either directly or through intermediate distributors, processors, or other channels of distribution, or when made from any of such materials so acquired.

(3) Under the bill as agreed to in conference title III of the Second War Powers Act would remain in force for the exercise of powers, authority, and discretion with respect to rice and rice products for the purpose of exercising import control only. This provision is the same as that contained in the Senate amendment. The House bill contained no such provision.

(4) The Senate amendment provided that title III of the Second War Powers Act shall remain in force through January 31, 1948, with respect to the use of transportation equipment and facilities by rail carriers. The House bill did not contain such provision. The bill as agreed to in conference provides that such title shall remain in force through February 29, 1948, with respect to the use of transportation equipment and facilities by rail carriers.

(5) The House bill provided that title III of the Second War Powers Act shall remain in force for the purpose of establishing priority in production and delivery for export of materials (except food and food products, rice and rice products, manila (abaca) fiber and cordage, agave fiber and cordage, and nitrogenous fertilizer materials), including petroleum and petroleum products, required for export, but only upon certification by the Secretary of State that the prompt export of such materials is of high public importance and essential to the successful carrying out of the foreign policy of the United

States. The bill as agreed to in conference contains provisions having the same legal effect as the House bill, except that the Secretary of State will not have authority to make certifications with respect to any fertilizer materials whether or not nitrogenous. Although the words "rice and rice products" have been omitted from the excepting clause, the Secretary of State under the bill as agreed to in conference will not have authority to make certifications with respect to such materials under subparagraph (F) since they are still excepted as "food and food products."

Under the bill as agreed to in conference the controls under title III of the Second War Powers Act in effect after March 31, 1947, through July 15, 1947, are those provided by the First Decontrol Act of 1947. After July 15, 1947, the controls in effect will be those provided by the bill as agreed to in conference.

Section 4 of the Senate amendment proposed to amend the so-called "Export Control Act," section 6 of the act of July 2, 1940, so as to terminate on June 30, 1948, the authority to prohibit or curtail the exportation of any articles, technical data, materials, or supplies. The House bill did not contain such a provision. The bill agreed to in conference is the same as the Senate amendment except that the authority will terminate on February 29, 1948.

Section 5 of the bill as agreed to in conference provides that the functions exercised under title III of the Second War Powers Act, and the functions under the Export Control Act, shall be excluded from the operation of the Administrative Procedure Act, except as to the requirements of sections 3 (relating to public information) and 10 (relating to judicial review). This provision is the same (except for a clarifying change) as the Senate amendment. The House bill, in the amendment to section 1501 of the Second War Powers Act, contained a similar provision in relation to title III of the Second War Powers Act except that the House provision did not refer to section 10 of the Administrative Procedure Act.

Sections 6 to 9, inclusive, of the bill as agreed to in conference are the same (except for clarifying changes) as sections 6 to 9 of the Senate amendment. The House bill had no comparable provisions.

Section 6 of the bill as agreed to in conference empowers the Secretary of Commerce, subject to the direction of the President, to establish policies and programs and to exercise over-all control with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, as amended, and under the Export Control Act, as amended, and the Secretary is further authorized, subject to the direction of the President, to approve or disapprove any action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to enable him to perform the functions, powers, and duties imposed upon him by the new section 6. This section also requires the Secretary to make a quarterly report to the President and to Congress of his operations under the authority conferred upon him by this section. Each such report is required to contain a recommendation by him as to whether the controls exercised under title III of the Second War Powers Act and the Export Control Act should or should not be continued, together with the current facts and reasons therefor. Each such report is also required to contain detailed information with respect to licensing procedures under such acts, allocations and priorities under the Second War Powers Act and the allocation or nonallocation to countries of materials and commodities (together with the reasons therefor) under the Export Control Act.

Section 7 permits the reemployment of personnel engaged during June or July 1947 in the performance of duties related to the functions and powers extended by the bill, in order to maintain continuity in employment of approximately 225 experienced personnel, without which the administration of these functions would be jeopardized. Such authority to reemploy personnel is necessary because under existing law personnel having a war service or temporary status may not be readily reemployed after their services have been terminated because of the requirement of existing law that personnel with a permanent status must be given priority.

Section 8 authorizes an appropriation, out of any money in the Treasury not otherwise appropriated, of such sums as may be necessary to carry out the purposes of the act.

Section 9 provides that the act shall take effect on July 16, 1947.

The bill as agreed to in conference adopts the Senate amendment to the title of the bill.

EARL C. MICHENER,
RAYMOND S. SPRINGER,
FADJO CRAVENS,
Managers on the Part of the House.

Mr. MICHENER. Mr. Speaker, I yield 15 minutes to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, may I say that I will yield to my distinguished colleague the gentleman from Arkansas [Mr. CRAVENS] at the proper time.

Mr. Speaker, this is a conference report on the Second War Powers Act. The conference report was fully agreed upon by both the Senate and House conferees.

One of the matters in controversy was the question as to whether hard fiber and cordage should be retained in the bill. The conferees, after having heard all of the evidence and examined the hearings, determined that such controls over hard fiber and cordage are no longer necessary, and that provision was stricken from the bill.

I recall that when the bill was under consideration earlier the distinguished gentleman from Oklahoma [Mr. RIZLEY] raised a question about transportation equipment and facilities of rail carriers. That provision was incorporated in this bill, and that control is now exercised on transportation equipment and facilities by rail carriers, which will make it possible to secure the needed materials and supplies for the purpose of building new freight cars and new railroad cars, and for the purpose of making needed repairs, and also for allocating this equipment so the shipment of grain can be properly handled and taken care of. I think that question is entirely covered by this bill, as you will note on page 3 of the conference report.

On the question of cinchona bark, quinine, and quinidine, the allocation and control was limited to a stock pile which the Government might now have on hand, or which it might hereafter acquire. The hearings disclosed that 1,000,000 ounces of quinine have been discovered as surplus in the hands of the Army. That is coming into the possession of the Government quite soon. Of course, that particular quinine will be subject to allocation, and that which is in the Government stock pile, and which is subject to allocation in the hands of the Government is also subject to allocation down through the channels through which quinine will go. However, the industry has the power and the right to purchase cinchona bark, quinine, and quinidine on the open market without any control and without any allocation, and that which is purchased on the open market, and which is not subject to allocation under this bill, is not subject to any allocation as to those into whose hands it might finally fall and where it might eventually be used.

I think that covers practically everything upon that subject. The protection with reference to petroleum and petroleum products which was written into this measure in the House is carried forward in this measure by the conferees. I think that is a wholesome and effective provision for the protection of the people of this country with reference to petroleum and petroleum products. Too much of those commodities have been sent to Russia, and to foreign countries. The provision included in this report should be helpful to our people.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to my good friend.

Mr. AUGUST H. ANDRESEN. Does this conference report have any control over the export of grains or food?

Mr. SPRINGER. Under the Second War Powers Act, may I explain to my distinguished friend, the foods and food products are eliminated therefrom. But you will note on page 3 of the report the export controls are continued until March 1, 1948, and the Second War Powers Act is continued until that same date on the limited number of items which are embraced in the pending report of the conferees. The export controls are continued, as you will note from this conference report, until March 1, 1948. Those export controls are embraced in the Export Control Act, and that act is continued.

Mr. AUGUST H. ANDRESEN. Then, this conference report is more comprehensive than the bill which was passed by the House.

Mr. SPRINGER. The gentleman is entirely correct. It is much more comprehensive because it embraces not only the matters contained in the Second War Powers Act, but also embraces the extension of the export controls under the Export Control Act until March 1, 1948.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. ANDERSON of California. Do I understand then that the export controls are to be continued under the same administrative set-up that now exists?

Mr. SPRINGER. Under this conference report, as the gentleman will observe in section 6, on page 3, of the report, the administration is to be conducted by the Secretary of Commerce and he is made the responsible head in charge of the administration of the provisions of this law from this time on until it finally terminates.

Mr. ANDERSON of California. How does that change the present set-up for the administration of export controls?

Mr. SPRINGER. Under the present arrangement, each one of the departments are practically in control of their own controls, that is, the Department of Agriculture is controlling the exports of

agricultural commodities, and the Department of Commerce is controlling implements and machinery and so forth.

Mr. ANDERSON of California. Did the Department of Agriculture exercise control or did it not just recommend to the Office of International Trade in the Department of Commerce what items should be given export licenses?

Mr. SPRINGER. As we obtained the evidence in the hearings, that is all handled under an interdepartmental arrangement by which the Secretary of State would confer with the Secretary of Commerce or with the Secretary of Agriculture or whichever particular department of government controlled that particular commodity. Those departments would reach an agreement and then the allocations would be made in accordance therewith. But under this present conference report, the one now presented to the House, the Secretary of Commerce will have charge of the administration. He will be the responsible head and the responsible person.

Mr. ANDERSON of California. Was any consideration given by the conferees to the suggestion contained in the Senate bill for the setting up of an administrative agency outside of the Department of Commerce for the allocation of export licenses?

Mr. SPRINGER. That was not considered. In the original bill which was introduced in the Senate, it provided that a department head should be set up, and he should be granted the right to employ such departmental assistants as he might require. But they amended the bill in the Senate, and that portion of the bill was not presented to the conferees.

Mr. ANDERSON of California. I will say that my interest in this stems from the fact that some of the folks I represent are being kicked around under the present administration and find it extremely difficult to secure export licenses. I do not know whether the gentleman knows it or not, but there have been a series of black-market rackets built up under the present administration of the Export Control Act.

Mr. SPRINGER. May I say to the distinguished gentleman from California that according to my information there has been some confusion with respect to the issuance of licenses. But under this conference report, this bill if it is finally enacted into law, thus placing the responsibility in the hands of the Secretary of Commerce, I feel quite confident that such confusion will be very largely eliminated.

Mr. ANDERSON of California. I certainly hope so.

Mr. SPRINGER. The disturbances in issuing licenses was caused more by reason of the confusion which existed, very largely. It is hoped, under this bill, this confusion will be entirely eliminated.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Illinois.

Mr. MASON. The fact that it has been an interdepartmental matter and that one had to go to the other, and so forth, was the one thing that caused the confusion and the kicking around, as the gentleman from California has stated. Now, by placing it in one department, that ought to eliminate that confusion.

Mr. SPRINGER. In other words, it makes one department head entirely responsible. I think that confusion of the past will be largely eliminated in the future.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to my distinguished chairman.

Mr. MICHENER. The conference report places the responsibility in a single individual, without creating any new bureau with a lot of additional employees and expense.

Mr. SPRINGER. That is entirely correct.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. Yes, I yield to the gentleman from Pennsylvania.

Mr. WALTER. Does the conference report preserve the provisions with respect to judicial review?

Mr. SPRINGER. Yes. That is retained in the measure.

Mr. McGREGOR. Will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Ohio.

Mr. McGREGOR. Am I right in my supposition that foods and food products, manila (abaca) fiber and cordage, agave fiber and cordage, and fertilizer materials are no longer under the control program?

Mr. SPRINGER. The gentleman is entirely correct. Those articles are not under the control program, under the provisions of this report.

Mr. Speaker, I yield to the gentleman from Arkansas [Mr. CRAVENS].

Mr. CRAVENS. Mr. Speaker, the conferees are in entire agreement. The gentleman from Indiana has made a complete statement of the conference report. I have no requests for time.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. ANDERSON of California. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BROWN of Ohio. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 107]

Barden	Coudert	Heffernan
Bennett, Mich.	Courtney	Hendricks
Bland	Dawson, Ill.	Herter
Bloom	Dingell	Jenkins, Pa.
Bolton	Dorn	Jones, N. C.
Boykin	Fisher	Judd
Buckley	Fuller	Kee
Byrne, N. Y.	Gallagher	Kelley
Carroll	Gifford	Keogh
Celler	Gorski	Kersten, Wis.
Clark	Harless, Ariz.	McGarvey
Clements	Harness, Ind.	Macy
Cole, Mo.	Harrison	Mansfield, Tex.
Cole, N. Y.	Hartley	Monroney
Combs	Hébert	Nixon
Norblad	Robsion	Smith, Ohio
Pfeifer	Schwabe, Mo.	Vinson
Powell	Scoblick	Youngblood
Rayfiel	Scott, Hardie	
Rich	Smith, Kans.	

The SPEAKER. On this roll call, 367 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD in four instances and to include newspaper articles.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD and include an article entitled "United States Marine Corps Faced With Possible Extinction if Merger Bill Is Enacted."

Mr. McDOWELL asked and was given permission to extend his remarks in the RECORD.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD and include an editorial written in 1860 in the Chicago Tribune.

Mr. HAND asked and was given permission to extend his remarks in the RECORD.

Mrs. NORTON asked and was given permission to extend her remarks in the RECORD and include a newspaper article.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD and include an editorial from the New York Times.

SUGAR ACT OF 1948

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

The motion was agreed to.

Accordingly the Committee resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4075, with Mr. CUNNINGHAM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Thursday, July 10, there was pending an amendment offered by the gentleman from Kansas [Mr. HOPE] and a substitute amendment offered by the gentleman from Wisconsin [Mr. MURRAY] for the Hope amendment.

Mr. MURRAY of Wisconsin. Mr. Chairman, I ask unanimous consent to withdraw the amendment that I offered on Thursday.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. HILL. Reserving the right to object, Mr. Chairman, I would like to

know if the gentleman is withdrawing the entire amendment.

Mr. MURRAY of Wisconsin. I wish to say that I asked unanimous consent to withdraw this amendment——

Mr. HILL. Well, reserving the right to object, I still want to know if you have another amendment that is worse than the one you offered the other day.

The CHAIRMAN. The Chair does not believe that is a proper question.

Is there objection to the request of the gentleman from Wisconsin that he be permitted to withdraw the substitute which was offered on Thursday, July 10, to the amendment offered by the gentleman from Kansas [Mr. HOPE]?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Chairman, I offer an amendment to the Hope amendment.

The CHAIRMAN. Is it an amendment or a substitute?

Mr. MURRAY of Wisconsin. It is a substitute for the Hope amendment. It is exactly like the present law.

The CHAIRMAN. The Clerk will report the substitute offered by the gentleman from Wisconsin.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Wisconsin: On page 22, following line 3, insert a new subsection (c) to follow section 301, as follows:

"(c) (1) That all persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane with respect to which an application for payment is made shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing; and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended, and the differences in conditions among various producing areas: *Provided, however,* That a payment which would be payable except for the foregoing provisions of this subparagraph may be made, as the Secretary may determine, in such manner that the laborer will receive an amount, insofar as such payment will suffice, equal to the amount of the accrued unpaid wages for such work, and that the producer will receive the remainder, if any, of such payment.

"(2) That the producer on the farm who is also, directly or indirectly a processor of sugar beets or sugarcane, as may be determined by the Secretary, shall have paid, or contracted to pay under either purchase or toll agreements, for any sugar beets or sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing."

The CHAIRMAN. The gentleman from Wisconsin is recognized.

Mr. MURRAY of Wisconsin. I shall not take the full 5 minutes for myself.

I will just repeat what I said yesterday, that this is nothing but what is included in the present law.

The reason I made the substitution this morning was to be sure that every word in the present law is included in this section. And to add the section to protect the producer. That is section 2, that has just been read. We then take care of the producer as well as the laborer as provided by the present law.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. GRANGER. I was unable to hear the gentleman's amendment. I think he should explain it.

Mr. MURRAY of Wisconsin. The amendment consists of the first two sections of the Hope amendment but leaves off the section which does something, nobody knows exactly what, to labor. This makes the first two sections the same as the present law.

Mr. GRANGER. The gentleman already has an amendment pending, has he not?

Mr. MURRAY of Wisconsin. I just withdrew that by unanimous consent.

Mr. GRANGER. This is a new amendment?

Mr. MURRAY of Wisconsin. This is a substitute for my substitute. And I might say to my colleagues that my distinguished Chairman consulted with me about this, and it is through him that I am able to present it in this amended form.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. AUGUST H. ANDRESEN. This calls for the Secretary to continue as a collection agency to see that the labor engaged in sugar production is paid. That is correct, is it not?

Mr. MURRAY of Wisconsin. This continues present law. Whatever the Secretary of Agriculture can do now he can continue to do if this amendment is adopted.

Mr. AUGUST H. ANDRESEN. It still continues that practice, then, where he acts as a collection agency to see that these people are paid.

Suppose some of these laborers should run up a bill with a merchant but do not pay the bill after they get their money. Would the gentleman have any objection to adding an amendment to the effect that before the Secretary paid out this money that these laborers should pay their bills?

Mr. MURRAY of Wisconsin. I may say to my distinguished colleague from Minnesota that so far as I am concerned the House will pass on the merits of his amendment if he wishes to offer an amendment. That surely is his privilege. I still like to believe we are getting back to representative government. Whether my endorsement would help or hurt the gentleman I do not know, so I suggest he offers an amendment if he has one.

Mr. DOMENGEAUX. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. DOMENGEAUX. As I understand the amendment offered by the gentleman it provides that subsection 301 (e), 301 (b), and 301 (d) of the 1937 Sugar Act shall be included in the pending bill. Those subsections provide for fair price determination and fair wage determination by the Secretary of Agriculture in a mandatory manner. Is that correct?

Mr. MURRAY of Wisconsin. This amendment is just the present law. If the present law does those things, then this amendment does those things, too.

Mr. DOMENGEAUX. The present law accomplishes that.

Mr. MURRAY of Wisconsin. Then this will do what the present law accomplishes.

Mr. DOMENGEAUX. Then the gentleman's amendment puts into the bill today that which is existing law.

Mr. MURRAY of Wisconsin. I took this matter up with the chairman of the committee and had his assurance that this should have been corrected That is the reason I offer it this morning.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. McCORMACK. Is there any objection to the gentleman's substitute including present law?

Mr. MURRAY of Wisconsin. No; not according to the chairman of the Agriculture Committee.

Mr. McCORMACK. If I understand the gentleman's substitute, the substitute attempts to put into this bill what has been part of the several bills that have been passed during the previous years.

Mr. MURRAY of Wisconsin. The gentleman is correct.

Mr. McCORMACK. In relation to fair wages, fair prices, and so forth; nothing else.

Mr. MURRAY of Wisconsin. No, sir.

Mr. McCORMACK. It was my understanding that that was to be offered as a committee amendment. Am I correct?

Mr. MURRAY of Wisconsin. It was, but the committee amendment got a little complicated. It contained certain phrases which were rather ambiguous and under which it was difficult to anticipate what would happen. It seemed to me therefore that the part of wisdom was to modify it as I have done.

I wish to ask my distinguished chairman if I have answered these questions correctly, that this amendment will leave the present law just as it is as far as the producer and the laborer are concerned.

Mr. HOPE. That is my understanding. The amendment which the gentleman has offered reenacts the present provisions of the law relating to the payment of fair wages and the payment of fair prices.

Mr. Chairman, I ask unanimous consent that all debate on the amendment offered by myself and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I had an impression—an erroneous one I found out afterward when I came on the floor after being in committee for 2 hours yesterday afternoon—that the amendment offered by the gentleman from Kansas [Mr. HOPE] would put back into this bill the provision of the law that has existed since 1934. I subsequently found out that that was not so, and that the amendment offered by the gentleman from Wisconsin [Mr. MURRAY] would. I am supporting the Murray amendment.

My friend the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] says that he opposes the Murray amendment because it is the use of a governmental agency, in this case the Secretary of Agriculture, as a collection agency. Yet, as I understand, he has agreed to the committee amendment, and certainly if my understanding is correct—I may be wrong, but if I am incorrect, I would like to be corrected—the Hope amendment applies to those employed in the cane sections, and certainly it makes a collection agency for them if what the gentleman says about the collection agency is correct. So, it seems to me that the gentleman's basic objection is unsound, and that he find himself in an inconsistent position.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I do not think I am inconsistent in my position, because the committee amendment offered by the gentleman from Kansas does take care of those laborers in the areas where the processor is the one who handles the production.

Mr. McCORMACK. The gentleman admits that to that extent, if what he says is correct, it being a collection agency by an agency of the Government, that then the Hope amendment does that for some employees of the sugar industry, that is, the cane employees.

The thought I had is this, that this is a very sensitive bill. Those who have lived with it for years realize that it is based upon certain practical necessities. I might term this a bill based on expediency. There are many diverse interests, and every one in this House wants to see an over-all bill go through that is fair and satisfactory to all the interests involved, and yet protect the public, and there must be a give and take here and there. All of these factors have been considered in bygone years by the Members of the House coming from various sections of the country.

It seems to be in the interest of harmony and carrying out that sensitive understanding which has existed in bygone years that there should be reincorporated into this bill the language in relation to fair wages and fair pricing that has been in the law since 1934 and that has been extended from time to time. If that is done, then there is no difficulty to this bill's passing, but, if it is not, then that sensitive adjustment will have been disturbed, and I hope that will not happen.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, the situation as we now find it is as follows: The existing law has provisions protecting workers in both the cane- and the beet-sugar industry, protecting them in two respects. No benefits are to be paid to processors unless two conditions are fulfilled. One is that the worker has to be paid in full, and the other is that the worker has to be paid a fair and reasonable wage established by the Secretary of Agriculture.

This bill has come to us without that provision in it at all. Now the committee offers an amendment restoring those provisions, in effect, only for cane workers. The committee amendment does not restore the protection for beet-sugar workers. I cannot conceive of any reason, first, for having left this entire labor provision out of the bill, nor can I conceive of any reason for reinstating this provision for the protection of the cane workers only and not extending it to the beet workers. What is the distinction? Why was this provision to safeguard both the cane and beet workers left out of this bill from the very beginning? Who were the interests that insisted on the elimination of this safeguard for all sugar workers which has been in this law ever since we have had a Sugar Act?

I think Congress and the American people are entitled to an explanation. What is more, I believe it is ironic that at a time when Congress is discussing the question of an increase in minimum wages, advocated by the House leadership of the majority party as well as by the House leadership of the minority party, that in this session, when we are trying to lift the minimum wage, we remove from the Sugar Act the provision which guarantees "fair and reasonable" minimum wages for all sugar workers? Why is it that we are now asked to destroy the minimum-wage protection for the beet-sugar workers? Why was this minimum-wage protection for both cane and beet workers entirely eliminated when this bill was brought to the floor? Why are we asked now to refuse to protect the beet workers? Those are questions that raise a very serious suspicion in the minds of everyone with respect to the entire bill.

I do hope that the Murray amendment will be adopted as a substitute for the committee amendment. In that manner we will dispose of this wage question and return to a policy that Congress has followed from the first enactment of sugar legislation of giving some protection to workers in the sugar industry, both to the cane workers and the beet workers as well.

Mr. CRAWFORD. Mr. Chairman, apparently the producer who grows sugar beets and the processors who process the sugar beets, the State Department, the Department of Agriculture, and the Department of the Interior, by reason of their agreeing to the text of this bill as here proposed to be amended by the committee, have come to the conclusion insofar as those parties to the agreement are concerned, that the amendment offered by the gentleman from Kansas [Mr. HOPE] is satisfactory. This debate has brought into the discussion the other side of the equation, which is the general welfare, you might say, of the workers.

May I ask the gentleman from Wisconsin if his amendment provides present law language with respect to the prices which the factory pays to the grower for sugar beets?

Mr. MURRAY of Wisconsin. May I say to my distinguished colleague from Michigan that it does. It is an exact copy of the present law.

Mr. CRAWFORD. That is the point I wanted to bring out. Therefore, there is an equation which has not been mentioned so far in the debate on this amendment as I understand it. That is, that present law in lieu of the benefits paid to processors and growers provides that before these benefits can be obtained, the Secretary of Agriculture must agree to the price that is to be paid. Institutionally, outside of the realm of government control and government interference in private affairs and based on some 10 years or more of performance, the language in the present law has been accepted and we have gone along with it.

But coming back to my first observation and to my remarks of the other day to the effect that this bill puts into operation the agreement which was reached by the parties who sat around the table and agreed, you have to make up your mind whether you want to bring old law provisions into this proposal or leave them out with the modifications made by the gentleman from Kansas [Mr. HOPE]. So, it is a situation where I do not know how you can make up your minds. You certainly cannot go both ways so you must go one way or the other. If all parties agree on the so-called Hope amendment. Then you can thus substantially support the general agreement which the bill covers and supports.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. FLANNAGAN] for 4 minutes.

Mr. FLANNAGAN. Mr. Chairman, the so-called Murray amendment will take some of the viciousness out of this piece of legislation. It should be adopted. If the Murray amendment is left out, the producers and the laborers have no protection whatsoever and you will be turning the sugar industry from top to bottom over to the processors.

When the 1934 law was passed, due to the fact that we were subsidizing the sugar interests, we thought that some provision should be written in the law which would carry back a part of that subsidy, at least, to the producers and laborers who produced the sugarcane and the beets. That is the reason we wrote into law the amendment that Mr. Murray is now trying to preserve, namely, that the Secretary should see that fair prices are paid to the producers and that the Secretary should see that a fair wage was paid to the laboring people. That was right and it is right that we should adopt that kind of legislation. They say it was agreed that the producer-labor provision be left out of the bill. Oh, yes; I know the way it was agreed to. I know who was around the table when this bill was drawn up. I challenge any man on this floor to name a single laboring man who sat around that table. This is the only protection that was in the law which protected the rights of the laboring man. If you do not adopt the Murray amendment you are leaving the laboring man and the producer at the mercy of the processors.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. McCORMACK. As far as the various groups, representing the different interests and the general public, is concerned, through the years in this bill, which is very sensitive, that it means that that sensitiveness is disturbed and broken up.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. FLANNAGAN] has expired.

The gentleman from New Mexico [Mr. FERNANDEZ] is recognized for 4 minutes.

Mr. FERNANDEZ. Mr. Chairman, I offer an amendment to the amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. FERNANDEZ to the committee amendment offered by Mr. HOPE: Strike out from subparagraph 3 of the amendment the following:

"(1) If producers in such area, who are also processors, produce in excess of 5 percent of the total production of sugar beets or sugarcane in such area, and also (ii)."

Mr. FERNANDEZ. Mr. Chairman, I am thoroughly in accord with the substitute offered by the gentleman from Wisconsin [Mr. MURRAY] and shall support it. However, if that substitute amendment is not agreeable, then I would like to have the amendment to the amendment adopted, for this reason:

The Murray substitute amendment substantially does, in effect, the very thing I am seeking by my amendment, but it goes further and strikes out all of paragraph 3 offered by the gentleman from Kansas [Mr. HOPE], which contains other provisions not necessary to be stricken in order to accomplish the purpose. My amendment does not go that far. It merely strikes out the language which deletes from the provisions of the law the wage benefits heretofore enjoyed by sugar beet labor.

Yesterday the gentleman from Colorado [Mr. CARROLL] asked the gentleman from Kansas [Mr. HOPE] this question:

Mr. CARROLL. Does not this amendment modify the present Jones-Costigan law in two respects: One, that it does not give the same coverage to the workers in the beet areas as did the original act?

Mr. HOPE. Yes; that is true. As drafted now it would not apply to any area where less than 5 percent of the beets or sugarcane was grown by processors. It is my understanding that less than 5 percent of the beets in the sugar-beet area in this country are grown by processors, so this amendment would not be applicable at the present time to the sugar-beet area of this country.

My amendment to the amendment merely strikes out the 29 or 30 words which eliminates areas where less than 5 percent of the beets or sugarcane are grown by processors, and which thereby exclude the beet workers. My State produces very little sugar beets, but it does furnish a great deal of the labor which goes into Colorado and other Northern States in the beet-production areas.

Unless the substitute amendment or my amendment to the amendment is adopted, I, coming from the State of New Mexico, which furnishes that labor, cannot possibly vote for the sugar bill. No reason has been advanced why this protection to our laboring men should be withdrawn. I hope that this amendment, or preferably the Murray amendment which will merely leave the present provisions of existing law in effect, will be adopted.

The CHAIRMAN. The time of the gentleman from New Mexico [Mr. FERNANDEZ] has expired.

The gentleman from Colorado [Mr. HILL] is recognized for 4 minutes.

Mr. HILL. Mr. Chairman, I agree with the gentleman from Massachusetts [Mr. McCORMACK] that this is a bill that requires considerable thinking. There is some real history behind this sugar legislation. I want to repeat there is not a single food product in this United States that has been handled with the dispatch and efficiency during the war years that sugar has. You are getting more food value for the sugar you use, more calories, shall I say, at the present price of sugar than any other single food product.

This bill comes to us this afternoon endorsed by the organization of the growers, the processors, and all the various segments of the sugar industry.

I wish to know whether this committee this afternoon would wish to bring in changes that have not been discussed by our Committee on Agriculture and take us off on a tangent? Let me ask a question: What about the other agricultural products that are paid subsidies? Are you writing into that legislation minimum wages and guaranteed wages? What about potatoes? Many small children, younger children, are used to pick potatoes in the harvest season. No one has mentioned that. How about the dairy industry?

If you are going to write this kind of legislation on the floor of the House, write into it all these regulations for labor, then I ask you if you should not do so in every piece of legislation that comes in here touching subsidies. That is the question the House must decide.

The amendment offered by our chairman, the gentleman from Kansas [Mr. HOPE] is perfectly broad enough and written carefully enough by the assistants of the staff of our Committee on Agriculture to protect our beet laborers.

I come from the beet-producing area in the State of Colorado. We have compulsory school laws. Boys and girls must go to school. Even if they come up from the State of my good friend from New Mexico, they still must go to school in our communities. We are not using children in our beet industry.

Another thing, we are getting pretty well mechanized in the beet-sugar industry. I wish I had time to tell you about the great machines that have been developed. We are working as rapidly as we can to get the entire beet-sugar industry mechanized. The testimony before our committee was that within 7 years that will be accomplished; we may have the beet-sugar industry completely and wholly mechanized within that period. Then what is the use of these regulations? Such things should not be written into this legislation.

I hope the amendment offered by the gentleman from Wisconsin will be voted down and that he will support the amendment offered by the gentleman from Kansas [Mr. HOPE].

The CHAIRMAN. The time of the gentleman from Colorado has expired.

The Delegate from Hawaii [Mr. FARRINGTON] is recognized for 4 minutes.

Mr. FARRINGTON. Mr. Chairman, I move to strike out the last word.

The adoption of this bill with the amendments providing that the payment of fair and reasonable wages shall continue to be one of the conditions for qualifying for compliance payments under the law seems to me to offer the best possible solution now of the problem presented by the expiration on December 31 of this year of the Sugar Act of 1937.

The amendment offered by the committee as well as the substitute offered by the gentleman from Wisconsin cover the workers in the cane sugar-producing areas into the provisions of the law. The differences between the committee amendment and that offered by the gentleman from Wisconsin relate only to conditions in the beet sugar-producing areas about which I will not presume to comment.

I do want to say here, as I have said to members of the committee, that I believe the perpetuation of this principle that has always been a part of this law is wise from every standpoint and lends considerable strength to the measure.

The Territory of Hawaii, as members of the committee fully realize, is one of the principal sugar-producing areas of the United States.

The production of sugar constitutes the basic industry of the Territory and has for almost three-quarters of a century. It is the principal source of income and employment of the islands.

I believe those members of the committee who are familiar with the Hawaiian sugar industry will agree that it has reached a point of development scientifically and industrially that is in the best traditions of free American enterprise.

The growth and perpetuation of this industry however is dependent upon some form of protection from the competition of sugar-producing areas in foreign countries where the standard of wages is far below that of the American sugar producers.

Under the conditions that confront the industry at the present time, the continuation of the Sugar Act of 1937 with the modifications contained in this bill for another 5 years seem to me to meet all of the requirements not only of the industry but of the consuming public in the best way possible under the circumstances which now confront us.

In terms of the Hawaiian sugar industry, 5 years is a very brief period. The production of a single crop of sugar in Hawaii normally requires 18 months. This means that 5 years involves only three crops.

It will require this period for conditions in world production to clarify to the point where sufficient information will be available for the development of a long-range policy.

The price of sugar has remained under control probably longer than that of any other product so that the additional time required in meeting this problem is not out of keeping with what has been done in the past.

The quota assigned to Hawaii under the bill will make possible expansion of production such as can be achieved through the introduction of new varieties of cane and other scientific advances. The prospects for such an increase at the present time are very promising.

The bill perpetuates the limitation of the original act on the shipment of refined sugar from Hawaii to the mainland. We of Hawaii have not altered our belief that this provision is discriminatory and unfair, but, other than recording our position, do not undertake to challenge this feature of the law any further at the present time, other than to express the belief that the principle is wrong.

The practical fact of the matter is that there is no immediate prospect that the amount of sugar refined within Hawaii itself is likely to be increased in the near future, although the time may come whereby the introduction of new processes may change this situation.

I think it should be noted that this is offered as a temporary measure.

I should like particularly to call attention to the statement contained in the report of the committee that the committee believes that it should be made abundantly clear that the distribution of the American sugar market among the producers of the United States and foreign countries and the provision for the establishment of quotas for the ensuing 5 years on the basis provided for in this bill is not intended to establish, and should not be construed as establishing, a permanent production and distribution pattern nor as waiving American producers' rights to such portions of the American market as they can supply at the conclusion of the 5-year period covered by the bill.

On the contrary, the committee said it should be emphasized that this bill is designed to meet the problems of the temporary postwar transition period and is not to be regarded as the establishment of long-time national sugar policy.

I believe that the committee has shown that there is a sound basis for the changes in the law that have been proposed, and I hope, therefore, that favorable action will be taken on the measure with the inclusion of the amendment for safeguarding the rights of labor.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, the Committee on Agriculture gave very careful consideration to this provision relating to wages. We had before us during the hearings representatives from three labor organizations: Mr. Robert K. Lamb, representing the national CIO; Mr. William Glazier, Washington representative, International Longshoremen's and Warehousemen's Union, CIO; Mrs. Elizabeth Sasuly, Washington representative of the Food, Tobacco, Agricultural, and Allied Workers' Union, CIO.

We gave careful attention to the statements made by those representatives of labor. The feeling of the committee on this question is about like this: We do not believe that the farmers of this country are dishonest; we do not believe that they are in the habit of beating their bills and not paying laborers the money due them. We think they pay fair wages in the sections of the country with which the members of the committee are familiar, and we are familiar with all sections of the country because the members of the committee come from all sections. We do not in the case of any other agricultural commodity where we are paying a subsidy to producers demand that before the producer can receive his payment he must show that he has paid his help or that he has paid certain wage rates determined by the Secretary of Agriculture—determined by the Secretary of Agriculture to be fair and just. I know of no good reason why there should be an exception made as to sugar farmers because I think they are just as honest as the farmers that grow any other commodity. I do not believe that the raising of sugar beets or sugarcane automatically makes a farmer dishonest.

With that thought in mind the committee felt there was no reason for including these wage provisions. However, it was represented to the committee that in those sections where there is a surplus of labor that this type of legislation was needed. So, yielding to the urging of the gentlemen from Louisiana [Mr. DOMENGEAUX and Mr. BOGGS], and the Delegate from Puerto Rico, Dr. FERNÓS-ISERN, the committee adopted the amendment which is now before you and which does take care of this situation in the cane-growing areas. In the beet-growing areas we do not have that situation. There is no surplus of labor. On the other hand, there is keen competition for labor in other agricultural industries beside sugar beet production. No one appeared from the sugar beet areas of the country and asked that the laborers in the sugar beet fields be included in this provision. For that reason the committee adopted the amendment offered by me as a committee amendment. We believe it takes care of the situation. The amendment offered by the gentleman from Wisconsin is not needed and should be voted down.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New Mexico [Mr. FERNANDEZ] to the amendment offered by the gentleman from Kansas [Mr. HOPE].

The amendment was rejected.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Wisconsin [Mr. MURRAY] for the amendment offered by the gentleman from Kansas [Mr. HOPE].

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 63, noes 64.

Mr. MURRAY of Wisconsin. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HOPE and Mr. MURRAY of Wisconsin.

The Committee again divided; and the tellers reported that there were—ayes 96, noes 80.

So the substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. HOPE] as amended.

The amendment was agreed to.

Mr. HOPE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: On page 30, line 6, strike out "individuals or associations" and insert in lieu thereof "persons."

The amendment was agreed to.

Mr. FLANNAGAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLANNAGAN: On page 15, line 21, strike out all of section 206.

Mr. FLANNAGAN. Mr. Chairman, I have offered this amendment in order to obtain the floor to ask the gentleman from Louisiana [Mr. DOMENGEAUX] some questions. I do this in order to clear up the record.

I made certain charges yesterday against Mr. Earl Wilson. Later in the evening the gentleman from Louisiana made the statement that Mr. Wilson, who was vice president of the National Sugar Co., of New York, in 1943 became connected with the Commodity Credit Corporation for the purpose of helping to move the Cuban crop, and that at the time Mr. Wilson became connected with the Government that he was paid a salary of $1 a year, and, of course, his salary with the National Sugar Co. continued; and that in August 1945 Mr. Wilson became head of the sugar branch of the Department of Agriculture, and at that time severed his financial interest, and so forth.

I understand the gentleman means to say that from the time Mr. Wilson entered the employment of the Government in 1943 until he became the head of the Sugar Branch of the Department in August 1945, he did not draw a Government salary but did continue to draw his salary as vice president?

Mr. DOMENGEAUX. That is correct, as I understand it.

Mr. FLANNAGAN. This morning in order to recheck my figures I took the matter up again and I want to report to the House that the record of the Department does not square with that statement. Mr. Wilson was employed by the WPB on July 8, 1942, at $1 per annum. He was transferred to Agriculture under Executive Order 9280 on January 8, 1943, as collaborator without compensation in the War Food Administration. On February 5, 1943, he was appointed as special representative of the Commodity Credit Corporation, Office of the President, at a salary of $7,000 per year. Note that this is prior to August 1945. On December 29, 1943, he was appointed Director of the Sugar Division of the Commodity Credit Corporation at a salary of $7,000 per year.

I just wanted to make the record plain so that it would show the true facts.

Mr. DOMENGEAUX. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. DOMENGEAUX. It may very well be that August 1945 was the date in which he severed his relations and no

longer received a salary from the National Sugar Co. during the period of time in which he was in the employ of the Government.

But I do want to make this statement again because I believe it is absolutely true, based on the facts that have come to me. Mr. Wilson did not receive a salary from the Government and a salary from the National Sugar Co. at the same time; after that date when he was appointed head of the Sugar Branch. His salary with the National Sugar Co. ceased when he assumed his new position which included the administration of the Sugar Act. I believe those are the facts.

Mr. FLANNAGAN. Well, the gentleman stated on yesterday that the fact was that he did not receive a salary until August 1945, and the records of the Department which I rechecked this morning prove otherwise.

I want to call the attention of the House to another significant fact. Mr. Earl Wilson is still connected with the Department of Agriculture as a consultant on sugar matters. He is in the employment of the Department to this good day.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. DOMENGEAUX. Mr. Chairman, I ask unanimous consent that the gentleman from Virginia may proceed for two additional minutes. I think this matter should be clarified.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. DOMENGEAUX. Mr. Chairman, will the gentleman yield? The gentleman is making a very serious charge.

Mr. FLANNAGAN. I am not going to enter into a useless discussion. If you will get the facts here under the signature and affidavit of Mr. Wilson or the president of this sugar company as to when they stopped paying him a salary, then I will talk with the gentleman.

Mr. DOMENGEAUX. Will the gentleman yield for one question? You are making these charges. Has the gentleman any facts? Has he anything to establish that Mr. Wilson received a salary from the National Sugar Co. after he became administrator of the Sugar Act?

Mr. FLANNAGAN. That is exactly the charge I made yesterday.

Mr. DOMENGEAUX. Have you any facts to substantiate that charge?

Mr. FLANNAGAN. I put the facts in the RECORD. If you want to deny them, come here with an affidavit.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. FLANNAGAN. Mr. Chairman, I withdraw my amendment.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL: On page 31, line 4, strike out "1952", and insert "1949."

Mr. EDWIN ARTHUR HALL. Mr. Chairman, whatever may be the disposition of the House on this particular piece of legislation today, there can certainly be no harm in shortening the length of time that it is to be in effect. If a bill which becomes a law cannot be carried out and administered properly in 2½ years—and that is the length of time this amendment gives to this bill—it ought never to have been passed by the Congress.

I say to the House that it is futile to pass a bill that will continue for 5 years, because a great many changes may take place in the next year or two. Who knows? We may have an entirely different administration. I, for one, want to see some sort of a bill passed which will be administered properly in a reasonable length of time.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. HOPE. The gentleman understands, of course, that Congress will be in session during the next 5 years.

Mr. EDWIN ARTHUR HALL. All the more reason why we do not need such a long period for the law to be in effect. Congress can continue it as soon as the law expires, and if it is a good law there will be no hesitancy on anyone's part to do so. I feel that 2½ years is long enough for any law to be in effect, and if the Congress wants to continue it at the end of that time, it certainly can do it. A great many changes may come about.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman, who is also a distinguished member of the Committee on Agriculture and is fully acquainted with this legislation, as he is with all legislation that comes before the Congress, knows that any committee of Congress in any Congress can review or modify or amend any piece of legislation; and does not the gentleman concede that within the next 2 years, if this legislation is not feasible, he or those in the House can amend it?

Mr. EDWIN ARTHUR HALL. Yes; and by the same token, if we want to continue this act after 1949, we can do it. I repeat, a great many changes may take place.

The sugar situation is becoming more obnoxious and more annoying to the country in general as time goes on. Personally, I have heard a great many comments on this side of the aisle about the regulation of sugar. Many Members have told me privately that they are pretty sore about seeing legislation brought in that will continue the stringent regulations on this entire sugar program.

As far as the American public is concerned, there were many Members of Congress who came up for reelection last year who had a hard job getting by the electors as a result of the embarrassing light they were placed in by these tinhorn dictators that hold sway in some of the various departments and bureaus of our Government.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I am sorry; I do not have time to yield.

The sugar situation, while it may seem picayune to some, has become a major issue in the minds of the people back home. They are angry about the bungling they have seen. They are also sore about any continuation of the regulations that have impeded the purchase of sugar. I think it is time this Congress woke up to the fact that the American people like a high standard of living. They like to have a fair amount of sugar. The housewife should have it for use in the home, and she has been deprived of sugar for the past few years. The war is over. The sky should be the limit as far as sugar production goes, and with the demands that we are going to have, not only in our domestic consumption but from foreign countries, the sugar producers and growers in this country ought to be encouraged to do everything they can to produce a bumper crop, so that we can have all the sugar we want, and so that the people throughout the world, who depend upon American supplies, will have all the sugar that they need and want.

The time has come for us to take the bull by the horns and to insist that no legislation that comes from this House be continued for an unreasonable length of time. I believe that 2½ years are sufficient. I believe the Members of this House are intelligent enough to continue the law when it expires, if necessary, and to pass any legislation that may be needed at the end of 2½ years.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Kansas is recognized for 5 minutes.

Mr. HOPE. Mr. Chairman, this particular amendment strikes at the heart of this bill.

The gentleman from New York says that he wants us to produce a lot of sugar in this country so we can export it and take care of the demands of the world. If he knew anything about the sugar situation in this country, he would know, of course, that we have never exported sugar from this country. We have been, we are, and we always will be, an importing nation so far as sugar is concerned. So that question is not involved at all in this legislation.

There are two particular provisions in this bill which I believe it is vital to retain, because they are the basis upon which an agreement has been had by the various producing areas and by the Department of Agriculture, the Department of the Interior, and the State Department. One of those is the provision for 5 years. This particular period is desired and insisted upon by all of the producing areas because it is felt that it will take that long to determine whether or not this type of legislation is what we want, and to work out our postwar sugar supply and demand situation.

The gentleman from New York suggests that, if we cannot find out in two and a half years if this type of legislation is what we want, that there is no use trying. It is quite possible that we may not even put this legislation into effect for 1 or 2 years. It is altogether likely that

quotas will be suspended for next year and possibly for the following year. So if we terminate this legislation at the time suggested by the gentleman from New York, we may never gain any experience under it. I trust, therefore, that those of you who are interested in sugar legislation and in the stabilization of this industry will vote down the amendment, because if it is adopted, it will utterly destroy the purpose and intent of this legislation.

Mr. Chairman, at this point I desire to make a statement explanatory of the definitions contained in title I of the bill. Title I contains all the definitions applicable to the entire bill except title V. Title V contains proposed amendments to the provisions of the Internal Revenue Code relating to taxes on sugar, and separate definitions for tax purposes are found in the Internal Revenue Code.

Definitions contained in title I are exactly the same as the definitions contained in title I of the Sugar Act of 1937 except for a slight change in the definition of "liquid sugar."

The definition of "liquid sugar" is found in subsection (f) of section 101 of title I. In the present law "liquid sugar" means "any sugars—exclusive of sirup of cane juice produced from sugarcane grown in continental United States—which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain, soluble nonsugar solids—excluding any foreign substances that may have been added—equal to 6 percent or less of the total soluble solids." The definition is changed by the bill so that the second parenthetical clause in the definition would read "excluding any foreign substances that may have been added or developed in the product." The definition as changed will not bring within its terms any new or different type of sugar product. The purpose is to include certain sugars which properly belong within the definition but which have not been covered by the definition because there has been artificially developed in the product additional soluble nonsugar solids sufficient to make the total soluble solids of the product in excess of 6 percent.

The committee considered several suggestions for changes in the definition of "producer" but concluded, after going into the problems involved, particularly with respect to the manner in which payments are now being made to producers in Hawaii, that the definition in the existing law is adequate and enables the Secretary as in the past to deal adequately with the circumstances peculiar to the particular areas. After discussing the matter at considerable length with representatives of the Department of Agriculture, the committee saw no compelling reason why the definition of "producer" as found in subsection (k) of section 101 should be changed since the committee could not question the legality of the administrative interpretations of the definition of "producer" which the Secretary of Agriculture has made in the past in administering the act in the several areas.

Mr. FLANNAGAN. Mr. Chairman, I desire to be recognized on the amendment.

The CHAIRMAN. The gentleman from Virginia is recognized for 5 minutes.

Mr. FLANNAGAN. Mr. Chairman, I agree with the gentleman from Kansas that in all probability the adoption of this amendment will render invalid this piece of legislation, because in all likelihood we will have to continue sugar quotas for the next 2 or 3 years which would render this bill inoperative in that its provisions would never go into effect.

I think the adoption of this amendment will be a Godsend to the American housewives, because in effect it will kill this bill.

Just let me tell you a few things about this bill. No one in this country ever heard about tying the price of sugar or any other commodity to the cost of living index until someone, I do not know who, conceived that idea down in Cuba in July 1946 when this Government entered into a contract for a 2-year period buying the entire Cuban crop. For some strange reason that provision was written into the Cuban contract, the same provision they are trying to enact into the basic sugar law.

What happened to sugar? That Cuban contract was entered into in July 1946. Of course, the Secretary should give the American processors the same treatment, and he did, after they established that formula, but he had no right to establish that formula, in the first place, in my opinion. But what happened? When the Cuban contract was entered into sugar was $6.10. In September 1946 the Secretary boosted the price to $7.60. He boosted it again on November 20, 1946, to $8; on January 18, 1947, to $8.20; on March 30, 1947, to $8.25; and he did that because he was carrying out that provision or that yardstick he had written into the Cuban contract as the yardstick by which the price of sugar should be measured. That is what has happened.

Of course, the sugar trust wants that perpetuated, of course they want that provision written into the basic law so the Secretary of Agriculture will be hogtied and compelled to raise the cost of sugar from time to time. That is what they are fighting for. They are interested in but one section in this bill and that is section 201 in which they adopt the same formula that was written into the Cuban contract.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Pennsylvania.

Mr. GROSS. Why did not the gentleman raise that opposition in committee?

Mr. FLANNAGAN. I had a mighty good reason. I did not know anything about it. I knew no more about it than the gentleman from Pennsylvania, and I am not criticizing the gentleman from Pennsylvania for not knowing anything about it in committee, because he did not have the opportunity of acquainting himself with it. We did not have the bill before us until we went into session to begin the hearings.

Mr. GROSS. Did the gentleman vote for the bill?

Mr. FLANNAGAN. I voted against the bill.

Mr. GROSS. The gentleman did not vote against reporting the bill out did he?

Mr. FLANNAGAN. I served notice on the chairman at that time that I could not support this legislation. No one in the committee had an opportunity to go into the provisions of this bill and study the effect it was going to have on the consuming public. No one was given that opportunity. This legislation has been rushed, rushed, rushed.

Mr. GROSS. The gentleman knows the committee had this bill before it so many days the members were tired of it and it was reported out because they were tired of it; yet the gentleman says nobody had a chance.

Mr. FLANNAGAN. The gentleman evidently is mistaken; evidently he did not attend the committee meetings. We had only three hearings on the bill, that is all, and no one had an opportunity to familiarize himself with the bill before those hearings were over.

Mr. GRANGER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York. Mr. Chairman, the gentleman from Kansas [Mr. HOPE] has stated the proposition correctly when he said it was anticipated that it will be 3 years before this bill can be tested and that it will take time before it will point the way to what we might want to do with sugar legislation in the future. Even if all the extravagant charges the gentleman from Virginia [Mr. FLANNAGAN] makes were true, it would still remain as the gentleman from Colorado [Mr. HILL] said on yesterday. This is a part of our agricultural economy that is controlled. No matter what the Sugar Trust would attempt to do after this legislation is passed, you have sufficient safeguards, because the formula and the weight that is put upon the formula is applied by the Secretary of Agriculture, and he is the individual who will have a lot to say about what the price of sugar will be.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I think there has been misunderstanding about the power of the Secretary to fix the price of sugar. He does not do that. He can fix a quota on the amount of sugar that may be sold in this country in interstate commerce.

Mr. GRANGER. That is true.

Mr. AUGUST H. ANDRESEN. But he does not fix any price on sugar.

Mr. GRANGER. Only as it is fixed indirectly by quotas, I agree with him.

I hope this amendment will be defeated and any motion offered to recommit, because this legislation, I am willing to admit, is an intricate piece of legislation. I do not know all, perhaps, that is in it, but I certainly know the new language that has been added. Most of the language that was left out has been restored by action of the committee, and the only thing that is left is this section

the gentleman from Virginia [Mr. FLANNAGAN] is talking about. It is plain. It is understandable, and while I cannot say what effect it will have, neither can he, because those who have prepared the legislation or had much to do with it down at the Department of Agriculture, say that it is impossible to tell without trial and error whether or not this formula would even raise the price of sugar. It might well lower it.

So, I hope by all these complaints and amendments that have been brought in, that we are not going to be carried off our feet by approving the amendment offered by the gentleman from New York [Mr. EDWIN ARTHUR HALL], who spent very little time in the committee, as I remember, when this bill was under discussion, and certainly the gentleman from Virginia [Mr. FLANNAGAN] did not raise all these questions before our committee. I hope that this amendment and all amendments that would cripple this legislation are defeated, because this is a continuation of the Sugar Act that we have had since 1934 and does not change it in any material way.

The CHAIRMAN. The time of the gentleman from Utah has expired.

The question is on the amendment offered by the gentleman from New York [Mr. EDWIN ARTHUR HALL].

The amendment was rejected.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL:

On page 7, line 4, strike out "4,268,000" and insert "5,268,000."

Between lines 5 and 6, strike out the following table and insert in lieu thereof: "Domestic beet sugar, 2,300,000; Mainland cane sugar, 1,000,000; Hawaii, 1,052,000; Puerto Rico, 910,000; Virgin Islands, 6,000."

Mr. EDWIN ARTHUR HALL. Mr. Chairman, of course, none of us knows everything about every subject, and I have never set myself up as an expert, but some of the individuals who have been casting aspersions at me about my lack of knowledge on the sugar situation ought to receive the mail that I have had and the expressions of absolute dissatisfaction that the housewives and people in general back home have evidenced about this whole sugar question.

The point was made that we are an importing nation as far as sugar goes, not an exporting nation. I happened to hear the Secretary of Agriculture say before the committee—and the rest of you who were there heard him; I happened to be there that day, in spite of the unnecessary reference made by the gentleman from Utah. The Secretary as much as said that his committee which deals with the allotments of sugar for foreign countries has the final word in its allotment of sugar for relief of foreign countries. So do not let anybody try to kid you that I do not know a lot of this sugar, which ought to go for American consumption, will be sent abroad. I have no quarrel with the general principle of relief to foreign countries, and my record is crystal clear on that.

Let no one suggest that I am at all antagonistic on that score. I do say, however, that the American people have the right to expect that domestic sugar will be earmarked to quite a large extent for them. I do not believe that in taking that position I am any different than any other Member of this House who wants to be a good American. I happen to know the hard feeling that was and is rife back home over sugar. A lot of people who would make light of a question of that kind will probably not agree, but it is the crux of the whole question on the standard of living back home and the necessity of giving our own people the supplies they ought to have. I suggest that serious consideration of this question cannot be left aside unless we consider at least a quota reorganization and a change. I do not say these figures are correct. I am not setting myself up as an expert, but I do say that the sky should be the limit as far as encouraging sugar production is concerned. Our domestic raisers ought to have the opportunity to raise those quotas if they want to.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I know people everywhere are disgusted with rationing. Of course, housewives are no longer rationed. But will the gentleman devote his few remaining minutes to a discussion of his amendment, so that we can find out just what he is proposing?

Mr. EDWIN ARTHUR HALL. My amendment simply increases production quotas for domestic beet and cane sugar. It is foolish and shortsighted at this time, in view of the demands the domestic consumers have made upon the country, and in view of the demands the Secretary of Agriculture is going to make, to try to set quotas that may be too low for raising of sugar. I for one want to see us have all the sugar we can possibly get, and I am going to continue to take that position regardless.

Mr. AUGUST H. ANDRESEN. How much does the gentleman's amendment propose we increase the sugar quota? Is that in acreage or tons?

Mr. EDWIN ARTHUR HALL. It increases the domestic quota 1,000,000 tons, half a million tons for cane sugar and half a million tons for beet sugar.

Mr. AUGUST H. ANDRESEN. Is that in tons or in acres?

Mr. EDWIN ARTHUR HALL. It is in tons.

Mr. AUGUST H. ANDRESEN. Would that increase the acreage allotment?

Mr. EDWIN ARTHUR HALL. I assume it would. There is plenty of land which can be added to both cane and sugar-beet production. I would much prefer to see acreage increased rather than done away with as it very well could be by exacting too stringent quotas.

Mr. CLEVENGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I happen to be a member of a special subcommittee of the Committee on Agriculture that spent a number of weeks studying this sugar question and the world sugar supply. Mr. AUGUST H. ANDRESEN, Mr. HILL, Mr. HOEVEN, Mr. PACE, Mr. POAGE, and Mr. GATHINGS compose that committee. I suppose it was because we learned so much about the world supply that the members of that committee are so modest about taking some of your time. But I just simply cannot sit here and take it any longer. We have three deficit areas in the world in the production of sugar.

Java, which normally produced some 2,000,000 tons is out of the picture. The island of Formosa which formerly supplied Japan and the East with 1,200,000 is out of production. The whole Philippine picture is down to perhaps 20 percent of their normal production. So far as the beet-sugar areas in Europe are concerned, I do not need to tell you anything about that. France, Germany, and all of central Europe ate beet sugar. That is the thing that is causing so much grief to our friend here from New York.

We have been using 68 and 70 pounds instead of 110 or 112 pounds that we normally get. I say to you it was not easy for me, a protectionist Republican, to swallow the wool legislation. I went along with it with my tongue in my cheek, because I realized the party does not have two-thirds of the House and Senate, and the day for majority rule seems to have passed temporarily. I am looking at the picture realistically. I want to see every bit of sugar produced that can be produced, otherwise we will just have rationed scarcity and no sugar.

This is not a palatable measure to a man who knows that an American laborer has to have protection against a tropical laborer. A man who wears overalls and work clothing cannot work against a man in a G string, and a man living in a house cannot compete with a man living in a palm tree. But, nevertheless, that is the condition we face. But I swallowed this; I just buttoned up my likes and dislikes and I recommend that during this 5-year period at least until we bring the world back into sugar production we hold our noses and vote for this to make some sugar, make it possible for people to produce sugar, and then wait for the day that we may return to satisfactory protection to take care of the American laborer.

Mr. BENDER. Mr. Chairman, I wonder if the gentleman would explain the amendment offered by the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. CLEVENGER. Let us be charitable. I am modest. The more I know about the world sugar picture—I am like the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] and the gentleman from Georgia [Mr. PACE], I am almost too humble to speak about it. But I ask you to be realistic and see if we cannot raise some sugar instead of so much fuss.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. EDWIN ARTHUR HALL].

The amendment was rejected.

Mr. LYNCH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LYNCH: On page 16, line 7, after the word "sugar", strike

out the period and insert a comma and add the following words: "which the Secretary shall allocate on the basis of direct consumption shipments in the years 1939 and 1940."

Mr. LYNCH. Mr. Chairman, this is a very simple amendment and I think it has considerable merit to it. It has nothing to do with increasing or decreasing the various sugar quotas. It has to do with the protection, however, of those industries that have gone into the refining business in Puerto Rico. I ask in this amendment that the allocation be based upon a definite pattern decided upon by the Congress.

It seems to me that where we have a quota and where we put a quota on any product we must take the position of protecting those people who have been in the business prior to the imposition of the quota.

My distinguished friend from New York [Mr. BUCK] yesterday spoke about these quotas and spoke about the restrictions. There is a great deal in what the gentleman said. The fact of the matter is we have got these restrictions, and, having the restrictions, it seems to me it would be most fair and equitable to say now that the quota has been established at 126,033 short tons, that those short tons should be divided amongst those refineries which are in existence at this time. The objection will be made: "Well, that is repression of business." But the repression would not be were it not for the fact that we place a quota on the sugar in the first instance.

I think that those companies which have invested hundreds of thousands of dollars in the construction of their refineries in Puerto Rico should be protected in their investment, and that we should not pass any laws which place a quota and at the same time leave open the other part of the barrel so that other companies may come in and get a part of the quota, to the detriment of those who are presently operating them.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield.

Mr. AUGUST H. ANDRESEN. I just wanted to get a clear understanding of the gentleman's amendment. The gentleman proposes that these 126,000 tons of sugar—and that is refined sugar——

Mr. LYNCH. Yes.

Mr. AUGUST H. ANDRESEN. Which comes from Puerto Rico shall be allocated to certain companies that deal in refined sugar in the United States?

Mr. LYNCH. No, no. To the Puerto Rican refineries, on the basis of the 1939-40 shipments.

Mr. AUGUST H. ANDRESEN. I get the gentleman's point. I think there have been one or two new refineries established in Puerto Rico.

Mr. LYNCH. My information is there are seven refineries down there, in all, and that they were in existence and operating there in 1939. As I say, I understand there have been none established since. It is amongst those that I think the quota should be divided.

Mr. AUGUST H. ANDRESEN. Of course, it would not be very much for each one if you would allocate only this 126,000 tons.

Mr. LYNCH. That is exactly what is being done today except on a different basis. As I understand, the Secretary still allocates, but it seems to me they should have some assurance as to what the allocation is going to be, and the assurance that I suggest is that Congress pass the basic formula, which is shipments during 1939 and 1940.

The CHAIRMAN. The time of the gentleman from New York [Mr. LYNCH] has expired.

Mr. HOPE. Mr. Chairman, the effect of this amendment would be that the Congress would say to certain refiners in Puerto Rico: "You can bring sugar into this country in a refined form."

And we would say to other refiners: "You cannot bring in any refined sugar to this country."

It is my understanding that some refineries have been built in Puerto Rico since the 1939-40 period. Under this legislation the imports of direct-consumption sugar—I should not say imports, because Puerto Rico is a part of the United States—but the shipments of direct-consumption sugar from Puerto Rico are limited.

The Secretary of Agriculture determines from what refineries those shipments may come. I am sure that in the past the Secretary has been fair and equitable in the apportionment of those allocations, and I am sure that he will be in the future. I do not believe that this Committee, without knowing anything about the situation, should at this time say that only those refineries which were in existence in 1939 and 1940 should be permitted to ship sugar to the United States at this time. It can readily be seen that this is a matter that in all fairness can only be left to the Secretary of Agriculture.

I urge that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LYNCH].

The amendment was rejected.

Mr. PACE. Mr. Chairman, I had not intended to comment on this bill, not because I have any misgivings about the bill, for I shall support it, but principally for the reason that I am not an expert on sugar and had some doubt about being able to contribute anything helpful. Two references, however, have been made to the Secretary of Agriculture and I do want to comment on those references. I doubt, Mr. Chairman, that any Secretary of Agriculture likes this type of legislation. I think it is very peculiar. If you study the bill you will find that the Secretary of Agriculture has complete discretion in every particular under this bill except in the allotment of quotas among the different producing areas.

The gentleman from Virginia objected to the language in section 201 setting up factors the Secretary shall consider when he determines the over-all supply of sugar. But if you read that section you will see it is still entirely in the discretion of the Secretary of Agriculture as to the amount, the weight, he shall give each factor and that he is specially required to protect the interest of the consumers of sugar.

If you turn to section 302 of the bill, which fixes the acreage allotments to the beet and sugarcane producers of this country, there is no standard set up there like we have in wheat, cotton, and corn acreage allotments. That, if you please—the allotment of acreage to the producers of beets and cane—is entirely discretionary. You will also find that the discretion of the Secretary extends to the point where he can vary the import quotas every 30 days.

Comment was made yesterday by the distinguished gentleman from Virginia that the opening statement of the Secretary of Agriculture to our committee was that he was not too well informed about the provisions of this bill. I would consider that standing alone as a rather critical reference. I think that much is true, because at the time the Secretary was getting ready to leave this country for Europe. But I think it is proper that I mention in this connection that sitting in our committee beside the Secretary of Agriculture was one who had been in every conference held on this bill, who was familiar with every "t" and every dot in the bill, that was Jim Marshall, Chief of the Sugar Section, who was there to advise with the Secretary in his testimony.

Of all the innuendoes which have been cast here reflecting upon the activities of certain gentlemen I am quite sure there has been no statement made, and no statement can be made, reflecting upon the character or the integrity of Jim Marshall, the Chief of the Sugar Section, or the Secretary of Agriculture. These two gentlemen, I am sure, have as deep and sincere an interest as does the gentleman from Virginia in the welfare and in protecting the interest of the American consumers, the American beet and cane growers, and the American men and women who work in the beet and cane fields. In view of the fight Mr. Marshall and Secretary Anderson have made to secure an adequate supply of sugar for our people and to keep down the price of sugar, it is now poor compensation to infer they would agree to any legislation which would be contrary to the best interest of the consumers.

The second reference critical of the Secretary of Agriculture was because there was included in the last Cuban contract under which we bought the entire Cuban sugar crop a provision to the effect that the price we pay Cuba would travel with the cost index in the United States. I think something needs to be said about that. I think you should understand that situation.

For several months the sugar section of the Department of Agriculture undertook to negotiate a contract for the purchase of the Cuban crop. It was important that it be done and that our Nation buy and control the entire Cuban crop.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. PACE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PACE. Mr. Chairman, it was most important, if you please, that our Government buy and control every pound of the Cuban crop in order to protect the American consumers of sugar. The sugar section was unable to complete a contract with Cuba and it was so important that the Secretary of Agriculture flew down there himself to negotiate a sugar contract which did give us complete control of the entire sugar crop.

What did Cuba ask? If you please, they asked no more than every man sitting on this floor would have asked, and the Secretary of Agriculture had to agree to it to get the contract. Here is what they asked: They said, "Mr. Secretary, we take our sugar dollars and buy American products. We are entering into a contract here for the sale of our entire crop. The cost of things we buy in America is going up and we ask you to write into this contract a provision that when the cost of things which we buy in the United States goes up, the price of our sugar shall go up proportionately in order that what a hundred pounds of our sugar will buy today will continue to buy the same in American products throughout the period of this contract."

Do you see anything wrong with that? That is the same as the parity principle that is written into every piece of farm legislation this Congress has enacted. That is how it came about that the Secretary of Agriculture was able to extend fair treatment to the producers in Cuba who had done so much to contribute to the sugar supply of this country during the war and was able to acquire and control the entire sugar crop of Cuba. That is one of the reasons sugar is more plentiful today.

I want to say one more word. I do not know that we gain anything in considering legislation by talking about people. I hope this country will continue to be a land of opportunity. I hope that when men work hard they may be rewarded. Reference was made yesterday to Mr. Robert Shields, one of the most able representatives the Government has ever had in the Department of Agriculture. He went there as a young man, he worked hard, and his capacity was such that he filled practically every position in the Department of Agriculture. He was later made a very handsome offer by some of the sugar interests. Unless there is something here—and I have found nothing—to indicate there is something in this bill which is wrong, that there is something in this bill which is fraudulent, it does not seem to me the Congress of the United States should spend its time casting aspersions and innuendoes on men who have given almost their entire life to the service of the Government.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Kansas.

Mr. HOPE. I simply want to say that I desire very much to associate myself with the statements which the gentleman has just made, and particularly the statement he has made with reference to Mr. Marshall and Mr. Shields.

Mr. PACE. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. FLANNAGAN. Mr. Chairman, I move to strike out the last word.

May it please the Committee, I want it distinctly understood that I did not deal in innuendoes on yesterday, nor have I indulged in innuendoes today. I made direct charges. Now Mr. Marshall has been brought into this picture. He seems to be a nice young gentleman. But, now, who is Mr. Marshall? Why, Mr. Marshall was the man who was put in charge of the Sugar Branch of the Department of Agriculture by Mr. Shields when he was head of Production and Marketing. Now, he may be the most honest man in the world. He is a young man, and when they met in Shields' Washington office and sat around the table to discuss this bill, here is the picture: Mr. Marshall is there representing the Government, and his former boss on the other side representing the Sugar Trust. I cannot help but think that he would be influenced, though it may have been an unconscious influence. Mr. Marshall appeared before the committee in executive session. I had found out something about section 201 and the change in it, and I asked him why they were tying the present price of sugar, driving that stake down and tying it up with the cost of living, a formula that we had never heard of before in America until the Cuban sugar agreement was reached. He finally said it was put in there in order to raise the price of sugar. That is what he said when he testified; that that was why they put the formula in the bill. He did state that they had modified it some; but it is still the same provision that is in the Cuban contract, and appears in this bill for the first time in America's legislative history. I know what has been the result of the provision in the Cuban contract. It has raised the price of sugar $2.15 to the housewives in less than a year, which means around $300,000,000.

Now, gentlemen, this is a serious problem. I am going to offer a motion to recommit this bill and continue the present Sugar Act and give this committee further time to look into the situation.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Utah.

Mr. GRANGER. I think the gentleman has always been fair enough to be accurate in his quotations.

As I understand Mr. Marshall, although I may be wrong, he was questioned time and time again on what this formula might do to the cost of sugar. As I remember, he said perhaps some of the people who wanted the formula tied to the cost of living thought that it might be raised, but he thought it might well lower the price. That is what he said.

Mr. FLANNAGAN. Yes, but he said that was the reason it was in here. I kept on hammering on it in executive session. I wanted to know why it was in there. I am just asking you to leave it out for a year and proceed under the present Sugar Act. We know how the present act operates. I know and you know and the gentleman from Colorado knows that this new formula can be figured out to a mathematical certainty any day in the year, and that it hog-ties the Secretary.

Mr. BUCK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCK: On page 28, line 25, strike out section 406.

Mr. BUCK. Mr. Chairman, I hope this amendment will be accepted by the Committee. The section it seeks to strike out has nothing to do with the objectives of the bill and has no place in a statute written by the Congress of the United States. If a section such as this appeared in a law written in Russia or prewar Germany or Italy or Japan I would not be surprised, but I am surprised to see it in a statute of this Congress. What this section does is give the Secretary of Agriculture authority to force a neighbor to inform upon his neighbor or upon his competitor, or even upon his best friend; and if he refuses to act as an informer, the Secretary of Agriculture can slap a $1,000 fine upon him. This section should be eliminated. My amendment should be adopted.

Mr. GAMBLE. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from New York.

Mr. GAMBLE. This section sounds very much like a provision Mr. Henderson was very eager to get in the original OPA Act, but the Committee on Banking and Currency knocked it out in committee and it never got on the floor. It was an informant act along the same lines.

Mr. BUCK. It had its genesis back at that time.

Mr. GAMBLE. I think so.

Mr. BUCK. I thank the gentleman.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the provision to which the gentleman from New York refers, or provisions similar to it, and in many cases far stronger, will be found in every regulatory act on our statute books. This is not something that is peculiar to the Sugar Act. Every regulatory body or every official with regulatory functions in the United States Government is operating under some such provision as this.

We have set out in this legislation certain provisions which require the Secretary of Agriculture to make findings and determinations. I cannot mention all of them for I will not have time, but in section 201, for instance, in determining the quotas he has to find out what the inventories are in the hands of the producers, refiners, distributors, and industrial users. He has to have that information in order to determine the amount of the quota. In section 208 there is a provision that prohibits the shipping, transporting, and marketing of sugar in interstate commerce after the quotas have been filled. Unless the Secretary has some authority to make those inquiries he has no way of making those determinations.

A little while ago the Committee adopted the Murray amendment, which puts into effect the provision that the Secretary must determine that the workers in the fields have been paid a fair wage, and that they have been fully paid, before a grower can receive his Federal payment. We provide also in the Murray amendment that a processor who is also a grower may not receive his payments until it is shown that he has paid other growers a fair price for the cane or beets they have produced. Without this authority the Secretary would have no way at all of getting the information which we say he must have in order to make these determinations.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. BOGGS of Louisiana. In other words, it would be utterly impossible to administer this act without the provision. Is that not so?

Mr. HOPE. You could not begin to administer it without the provisions contained in this section.

In section 409 there is a provision that the Secretary must make recommendations relative to the terms and conditions of contracts between processors and producers and between producers and laborers, and unless he has the authority contained in that section, there would be no way that he could function under these provisions.

The same thing applies to section 410 where the Secretary is required to make investigation for carrying out the purposes of the act. So that unless you want to make it absolutely impossible for this act to function, do not vote for the amendment offered by the gentleman from New York.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. OWENS. I would like to ask the gentleman what might be called a double question. Can you tell me any specific act which so provides without arrangements for going into court and can you tell me of any act prior to the so-called New Deal legislation that contains any such provision?

Mr. HOPE. I will say that just now I cannot give the gentleman details of these provisions but I am sure if he looks the matter up he will find the power exists in all regulatory agencies. In many cases it goes much further than this because it gives the subpena power to a regulatory official.

Mr. OWENS. Would the subpena power be through the procedure of the court?

Mr. HOPE. In some cases, yes. But where used in that way it gives more drastic power than is provided in this legislation.

Mr. OWENS. As a lawyer, I would not think so.

Mr. HOPE. I beg to disagree with the gentleman. I cannot agree with him.

Mr. Chairman, I urge that if you want this legislation to be operative and you want the Secretary of Agriculture to function in its administration, then vote down this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BUCK].

The question was taken; and on a division (demanded by Mr. BUCK) there were—ayes 16, noes 55.

So the amendment was rejected.

Mr. PETERSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PETERSON: On page 23, line 2, strike out the period after the word "croppers" and insert a comma and the following: *"Provided,* That any honorably discharged veteran of World War II who is a citizen of the United States and who is a bona fide farmer at the time of the passage of this act shall be allowed to grow and market sugar or liquid sugar from sugar beets or sugarcane without reference to quota or allotment or any other limitation and as to production, such sugar production shall be deducted from the Cuban quota."

Mr. PETERSON. Mr. Chairman, the purpose of this amendment is to provide that World War II veterans who were honorably discharged, who are citizens of the United States, and who are bona fide farmers at the time this act takes effect, shall be allowed to raise sugar beets or sugarcane, for the purpose of producing sugar, without reference to quotas. The particular portion which they may raise may be deducted from the Cuban quotas.

In most of the bills dealing with agriculture, which have quota provisions, there are definite provisions of law protecting veterans for the preservation of their quotas when they return. There is no particular provision such as that in the sugar law. There are many instances in which veterans have prepared the land. They have not been able to build up a historical basis for a quota. Therefore, those who have been serving their country at times when they would have been able to build up a historical basis, have no assurance that they will have a quota. I recognize the situation that where you have benefit payments you must have quotas, although I have always felt and still feel that we should encourage new production, and that we should allow in this country production by our farmers without quotas. However, I realize if I made it wide open my amendment would have many objections, so I tried to limit it to World War II veterans. The men who were serving their country had no chance to build up a historical basis for quotas.

I think this is fair. It will increase certain domestic production by veterans who are bona fide farmers, veterans who are citizens, and this should be written into the bill.

In all seriousness, I hope the committee will vote this amendment into the bill.

In order that there may not be any fight between the beet areas and the cane areas, I have asked that it be deducted from the Cuban allotment.

There is a limitation, for instance, as to the number of veterans and limitation as to the acreage that can actually be produced. There is a physical limitation. We have to drain the land and we have to build dikes. The physical facts will make that limitation. Compared to the production in Cuba, it would be an infinitesimal amount. It is fair and just to these men who have had no opportunity to build up a historical basis.

I urge that you support this amendment.

The CHAIRMAN. The time of the gentleman from Florida [Mr. PETERSON] has expired.

Mr. BOGGS of Louisiana. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I realize fully the popular appeal that an amendment of this type has on its face. I am a veteran of World War II, and I am as anxious to extend every privilege and benefit to the men who fought for our country as any Member of this House. But I think this amendment should be analyzed a little.

In the first place, as I understand the amendment, it would establish quotas to so-called bona fide veteran farmers who were farmers at the time of the passage of this act. The argument is made that there is no historical basis for the veterans; therefore this amendment should be adopted. That to my way of thinking is absolutely meaningless, because, bear in mind, there are no existing quotas at this time insofar as anybody is concerned either in the cane areas or the beet sugar areas. Since quotas were suspended in the year 1941, I believe, anyone could enter the beet-sugar industry or cane-sugar farming.

As I understand the amendment it would apply only to those so-called bona fide farmers who were farming at the time the act was adopted. As I interpret the amendment, therefore, in the first place it has utterly no meaning because anyone who wants to enter the business today can enter it without any interference insofar as quotas are concerned. Hence any veteran who desires to can become a beet or sugar farmer. Therefore, the amendment is meaningless. Moreover, I think this type of amendment, much as I want to favor the veteran and even if it had any meaning, is a bad type of amendment, because it subjects the veteran to exploitation. What happens? What has happened in the past? Let us take the case of the surplus property. There is a good illustration. We wrote all sorts of provisions into the Surplus Property Act giving preference to veterans. Invariably someone goes around, gets his brother-in-law, his son-in-law, or his uncle, who is a veteran, puts him up as front man and as a veteran, sits him out in front, and then all kinds of conniving takes place. That is exactly what would happen in this instance if we adopted this amendment, and we would not be doing the veteran any favor whatsoever. In addition to that, innocent-sounding as the amendment is, it might, if it has any meaning, interfere vitally with the quota arrangements which have been worked out by the State Department and the Department of Agriculture with the Republic of Cuba. In doing that we would jeopardize the entire purpose for

which this bill will be enacted. I sincerely hope, therefore, in the name of the veteran, because this amendment will not help the veteran, in order to maintain our commitments to countries with which we have made agreements that we will vote down the amendment.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Kansas is recognized for 5 minutes.

Mr. HOPE. Mr. Chairman, after the excellent statement just made by the gentleman from Louisiana, I do not believe it is necessary to say much more on this amendment.

I agree with everything the gentleman from Louisiana has just said.

We all want to do all we can for the veterans, of course, but to my mind it is very doubtful as to whether you would be doing anything for the veterans under this amendment; and its adoption would certainly place in jeopardy the ultimate enactment of this legislation.

I want to call attention to the fact that under the language of the bill which we had before us there is this provision: That the Secretary in determining the proportionate share to a farmer shall insofar as practical protect the interests of new producers and small producers and the interests of producers who are cash tenants, share tenants, adherent planters, and sharecroppers. The same provision is contained in the present act. I have conferred with Mr. Marshall the administrator of the act, as to how he would interpret that language, and how he has been interpreting it, and he has assured me that in applying that language veterans will be given every consideration. He says that he feels bound under the language of the GI bill to give veterans a preference in making those allocations. The language of this bill, which I have just read, as applied either to veterans or to others is much more inclusive than the amendment offered by the gentleman from Florida, because his amendment includes only veterans who are farming now, but the language written in the bill applies to any farmer veteran any time during the life of the act.

Now, what the amendment offered by the gentleman from Florida would do would be to set up another quota. We have a quota each for the domestic beet producers, the mainland cane producers, Puerto Rico, Hawaii, and the Virgin Islands. This would set up another quota and in doing that it would throw out of balance all of the provisions of the bill with reference to quotas. In addition, I do not know how such a provision as this could be administered and I do not know how a veteran could dispose of his cane or his beets if he got a quota under the provisions of this amendment because the quotas provided in the bill are assigned to each factory district. These factory districts cannot market in interstate commerce any larger amount of sugar than the quota given. This means they cannot buy any more cane or beets than enough to fill their quota. So if there is a regular quota given to the factory district and that is assigned to the producers within that district, then I do not know where a veteran would go to sell his cane or beets if he were given an extra quota under this provision. While I am just as sympathetic as anyone could possibly be toward any provision that will give veterans a preference under this act, I do not believe the amendment proposed by the gentleman from Florida would do it and, if adopted, it would, in my opinion, very seriously jeopardize the ultimate enactment of this legislation.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. ROGERS of Florida. Mr. Chairman, I rise in support of the pending amendment and the bill.

Mr. Chairman, in my district we grow a lot of sugarcane. As a matter of fact, the sugar-producing area of the State of Florida, which produces approximately 100,000 tons of sugar per year, lies almost exclusively in the Sixth Congressional District of Florida. I am, therefore, very much interested in the sugar legislation.

The merits of this bill have been discussed quite fully and I am not going into that phase of it, but I do want to say to the membership of the House that this is one time that the producers, the departments of the Government and the various domestic sugar producers have gotten together. The Department of Agriculture and State Department are for it, the Interior Department is for it, and the Bureau of the Budget is in accord with it. The bill is not absolutely satisfactory in every particular, but it is certainly the best bill that can be brought to this floor at this time in order to take care of not only the consumers but the producers of sugar. When the industry gets together like it has in this instance, when there is absolute accord, and when the Committee on Agriculture, after having given full and complete study, brings to us this bill I am sure the House will adopt it.

Going back to the amendment proposed by the gentleman from Florida [Mr. PETERSON], with reference to exemption of veterans from the allotment of the quota system, may I say that this would not affect the sugar quota and would be infinitesimal. At the present time, as suggested by the distinguished gentleman from Louisiana, there is no quota. The veterans can come in right now, and they could come in for some time provided the President suspends the quota provisions of this bill, and they can raise sugarcane. When it comes to the time of allotment, at that time the veteran who has planted sugarcane can get his proper allotment.

This is not giving the veteran anything at all. It is just permitting him to work, it is permitting him, if he wants to, to engage in an agricultural industry by producing sugar.

Now, my friend says that we have given them every consideration. Well, we have, but this is not giving them anything except the right to work. As I stated previously on the floor of this House, about the only thing we have given the veterans so far is priorities. They never have gotten much. Very little have they obtained, and we are not asking anything but that they be permitted to farm. You know, there are a lot of veterans coming to Florida. This Everglades section land is as rich as the valley of the Nile. We have hundreds of thousands of acres in the Everglades section of Florida and we could produce out there all the sugarcane for the production of sugar that the people of America could consume. But instead of that we have to allot more to Cuba because we are restricted in the production on the mainland of this country, including Louisiana and Florida.

Now, this will not affect our local growers. This amendment says this: If we get back to where we have to put on a quota, that this quota shall not come from out of producers on the mainland, but the quota shall be deducted from Cuba's quota, and, as you know, if there is any deficiency in any of the areas at the present time, Cuba gets 98 percent of it and we get nothing. As a matter of fact, as I see it, this amendment is a constructive amendment, and the veterans should be permitted to grow cane if they want to.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. MILLER of Nebraska. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I expect to support this sugar legislation. The bill is not perfect and does not suit me in all its phases—but I shall vote for its passage. I say that because all indications point to the fact that the processors and the growers and the various departments have gotten together on a bill that to them is satisfactory; in other words, there is a compromise on sugar legislation.

My colleagues, you must remember that sugar is one of the commodities that has been regulated longer than any other food product in the United States. I think perhaps that accounts for this complicated bill and the imperfections in the bill. The amendment offered by the gentleman from Florida would further complicate the bill.

I do have some misgivings about the bill. If you examine it carefully you will find there is a certain allocation of beet sugar to the United States, that it permits 1,800,000 short tons of beet sugar. This is an increase of 100,000 short tons of sugar. At one time we had 1,700,000 short tons of beet sugar produced in the United States. I am fearful that the amount of increase permitted is not sufficient to take care of the growing population of the United States. It does not provide for the growing industrial use of sugar. Our population grows about two million a year. The bill provides controls for 5 years. In 5 years there will be another 10,000,000 people using sugar in the United States. Besides, the uses of sugar have increased. Now, what is the answer to that? I do not find it in this bill unless there is some way to increase the amount of land that can be brought under irrigation. I remember a former Secretary of Agriculture. He was Vice President at one time. He recently was made editor of a magazine. He went out into my country a few years ago when he was Secretary of Agriculture, and made the statement that sugar beets and sugarcane should

not be raised in the United States; it was economically unsound. Well, they hung that gentleman one evening in effigy. I can still see his effigy hanging on the end of a rope, and there was a very mad group of farmers around the likeness of Henry Wallace. I want to see our farmers produce all the sugar they can and with no useless restrictions.

Well, I contend that perhaps one fault in this bill is that we have not given enough attention to how much sugar we can produce at home. I see no way in this bill whereby you can bring new land under irrigation and sugar beet production.

I would like to ask the chairman of the committee, the gentleman from Kansas [Mr. HOPE], who has done an excellent job working on this bill, a question. How can new lands not heretofore in production of sugar beets be planted to that crop? Can that be done?

Mr. HOPE. Yes; after the entire quota which is allotted to domestic sugar-beet production is exhausted and new factory areas and new growers come into existence.

Mr. MILLER of Nebraska. Well, I hope they can, because they are bringing new land under irrigation all the time. As I said before, with the growing population in this country and the growing uses of sugar, we should not put shackles upon the domestic production of sugar. I think we ought to give them free rein. However, this is a compromise. The committee has worked hard upon it. It seems to me that the amendment offered by the gentleman from Florida, while we are in sympathy with what he would do for the veterans, would merely further complicate this bill. I would commend to my colleagues affirmative action on the bill without his amendment. There must be some sugar legislation, and as this bill has the approval of all interested parties, it should pass.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. In the event it develops that we do not produce enough sugar to take care of the needs here on account of increased population, two things can happen. Congress can amend the legislation or the Secretary and the President can suspend the quotas so that we can get additional sugar planted.

Mr. MILLER of Nebraska. The Secretary does have absolute power under this bill to make adjustments of that nature when they are needed.

Mr. PETERSON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Florida.

Mr. PETERSON. I am in accord with the gentleman's desire to increase production. All these years I have fought for increased production. This would be a very small increase. I thought we would let the veterans increase it some now. I would go all out if we could increase production generally.

Mr. MILLER. I appreciate the gentleman's position, but feel his amendment, not having the approval of the Agricultural Committee, should not prevail. The bill should pass without amendments.

Mr. BENDER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have all been sugared up here on this bill. I think all of us know just about how we are going to vote. Will you not please let us vote so we can do something else?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. PETERSON].

The amendment was rejected.

MORE NEW DEAL LEGISLATION, BUREAUCRACY, AND REGIMENTATION

Mr. SCHWABE of Oklahoma. Mr. Chairman, I move to strike out the last word. Mr. Chairman, this is the so-called sugar bill and designated in the bill as the "Sugar Act of 1948." In the report of the committee, after likening the proposal to the Sugar Acts of 1934 and 1937, it is stated that, "the bill has as its primary objective the stabilization of the sugar producing, refining, and importing industries." Quotas are authorized to be established for producers, marketers and importers, and subsidies are authorized to be paid to those engaged in the production and refining of sugar, all of which ultimately must be paid by the consumer. The committee's report says that this is to be understood as only a temporary program to last for 5 years from January 1, 1948. But all of the essential provisions of this act have been in force since the passage of the early Sugar Acts of 1934 and 1937. It is extremely doubtful if the program will be abandoned within the near future.

Much of the language of the bill is intricate and involved. But the bill is filled with provisions giving the Secretary of Agriculture, who is the direct appointee of the President, absolute and dictatorial powers. It is true that the bill directs the Secretary of Agriculture to take into consideration, before issuing his edicts, certain factual circumstances and conditions, but, in the long run, it is left to the Secretary of Agriculture to determine what action he will take with reference to the production, importation, and refining of sugar in this country. Worse than that, the Secretary of Agriculture, in the last analysis, according to the provisions of this bill, can and will determine the price that the citizens of the country pay for the sugar they use, and that applies both to domestic and commercial users of sugar.

PLANNED ECONOMY

If the authors of this bill, whoever they may have been, had tried to write a new bill filled from start to finish with planned economy provisions, applicable to the production, refining and marketing of sugar, it is difficult to imagine how they could have done a more complete job.

The language resembles that which was customarily employed by the brain-trusters of the early New Deal days, and the conceptions and philosophies of the New Dealers, and particularly of former Secretary of Agriculture, Mr. Henry Wallace, seem to have formed the basis of the theory and purposes of this bill. It does not read like an American congressional production.

It is said that Mr. Henry Wallace, early in the New Deal regime, advocated the idea that every farmer should be required to post on his front gatepost a Federal Government permit, stating the exact acreage and quantity of each and every crop he was permitted to produce, in order that his neighbors might know if he had exceeded his allocation or quantity. This is the same gentleman of whom ex-Senator Reed of Missouri said that he had required the farmers of this country to reduce their corn acreage by 20 percent and at the same time was trying to induce our corn growers to purchase from Mr. Wallace's corporation Wallace's hybrid seed corn at $7.50 a bushel, guaranteed to increase the yield 20 percent. This is the same group that promulgated the corn-hog reduction program, killed the little pigs and cattle, on the ground that there was an overproduction, and in order to produce a scarcity, which would result in a higher price in agricultural products. This is the same thing that developed for us during the past 14 years the philosophy of scarcity, artificial fixation of prices, controlled economy, the OPA, and all of the patent medicines and nostrums of the New Deal, which have become so nauseating to the people of this country. This is the result of the same philosophy and thinking that would regulate our every action, would tell us how much we must pay for labor and how many hours labor shall work, the diet we shall consume and the clothing we shall wear and the housing of our people. It is the outgrowth of the same program that produced thousands upon thousands of bureaucratic and Executive orders, edicts, rules, regulations, and the regimentation of our people.

It is almost unbelievable that this Congress should want to follow in the tracks of such un-American programs of the New Deal reign of the past 14 years. Yet, I call your attention to certain provisions of H. R. 4075, the so-called sugar bill now under consideration. After reading section 203 and its involved language and lengthy clauses and sentences, I think most people would give up in dire confusion and say that there wasn't any question but what the language sounded like the language of some of the other New Deal legislation that has been foisted upon the American people. There are only two sentences in section 201 of the bill. The first sentence covers 9 lines of the printed bill, and the second sentence covers 29 lines. I submit that the language, not only in section 201, but in many other provisions of the bill, is entirely beyond the comprehension of almost anyone except a New Dealer to understand. I hope it was not designed to be confusing.

I would remind you of the old NRA days. You will remember that the first New Deal baby to be born was the National Recovery Act, commonly referred to as the NRA. It was referred to by the New Dealers as involving a code of fair competition. That hideous blue eagle

had to be displayed in order to avoid boycotts and reprisals. The President and the Administrator of NRA said that the codes were written by the leaders in industry. Of course they were, with the collaboration of the brain-trusters and for the protection and perpetuation of big business—the leaders in industry. It is not natural for the leaders in any industry to encourage newcomers and competitors. Hence, among other things, the code of fair competition, the rules and regulations promulgated pursuant to the National Recovery Act, provided that as long as the leaders in the industry determined that there was sufficient capacity to turn out the quantity of material deemed necessary for the consumption of a locality, a new business could not be started. It was necessary that the NRA group, which was dominated by the leaders in industry, should issue a permit of convenience and necessity before anyone could start up a new business, or enlarge his operations or plant.

A similar situation is provided in this sugar bill. It is honey-coated with the language that apparently is designed to mislead the consumers of sugar and we are told that an emergency exists, and it is necessary to pass this bill if we are to get any sugar. That is more New Deal language. The New Deal has thrived and progressed from the very beginning on emergencies and the emergency hysteria has so seized the public that they seem easily swayed by other cries of emergency. The Secretary of Agriculture is given the power and authority to tell each farmer how much he can produce. In section 302 (a) of the bill, it is provided that the amount of sugar, with respect to which subsidy payments shall be made, shall be the amount commercially recoverable as determined by the Secretary, from the sugar beets or sugarcane grown on the farm and marketed—or processed by the producer—not in excess of the proportionate share for the farm, as determined by the Secretary.

In subsection (b), it is provided:

In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed.

In section 303 of the bill, there is a provision which reads:

With respect to such bona fide abandonment of each planted acre of sugar beets or sugarcane, one-third of the normal yield of commercially recoverable sugar or liquid sugar per acre for the farm, as determined by the Secretary.

Then to make certain that the control of the Secretary of Agriculture shall be as nearly czarlike as possible, and as dictatorial as it may be, provided in language, we find section 304 (b) providing as follows:

All payments shall be calculated with respect to a farm which, for the purposes of this act, shall be a farming unit as determined in accordance with regulations issued by the Secretary, and in making such determinations, the Secretary shall take into consideration the use of common work stock, equipment, labor, management, and other pertinent factors.

Without any reflections upon the present Secretary of Agriculture, who is an especially fine gentleman and whom I very much admire personally, I must say that such power and authority vested in any one man is un-American. Thank God we had a Supreme Court that understood Americanism well enough to declare the NRA unconstitutional when it was brought before that Court for consideration. Why should we continue, promote, extend, implement, and personify the program of the New Dealers by the passage of such an act as this?

BLANK CHECKS

I call your attention to section 401, the first section of title IV, which reads:

For the purposes of this act, the Secretary may make such expenditures as he deems necessary to carry out the provisions of this act, including personal services and rents in the District of Columbia and elsewhere.

In this same connection and under this same title IV, I call your attention to the dictatorial authorization contained in subsection (b) of section 402, which reads:

All funds available for carrying out this act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal Government as the Secretary may request to cooperate or assist in carrying out the provisions of this act.

Then, in perfect New Deal style and apparently for fear that this lengthy bill might have omitted some authority and provision to strengthen the hand of the Secretary who had been given such dictatorial powers in the bill, we find section 403 (a), which reads:

The Secretary is authorized to make such orders or regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this act. Any person knowingly violating any order or regulation of the Secretary issued pursuant to this act, shall, upon conviction, be punished by a fine of not more than $100 for each such violation.

It has not been long since we heard the popular clamor against fines being imposed for violations of Executive orders, edicts, and regulations. But here we have a provision authorizing the Secretary to promulgate any orders or regulations he may see fit to carry out the power vested in him by this act, and then going all out New Deal style and providing that if anyone shall violate any order or regulation of the Secretary, he may be fined $100 for each violation. I thought the people of the United States spoke last November 5 and said they wanted no more of such stuff. That is abhorrent and shocking to the people of this country, and I do not believe they will appreciate further enactments along that line by Congress.

But the bill goes another step. In section 406, the Secretary is vested with all the powers of a legally authorized snooper. He can require any and all information he wants in connection with the manufacturing, marketing, or industrial use of sugar, and anyone who fails to furnish such information or furnishes false information on the subject to the Secretary, is liable to a fine of $1,000 for each violation. The snooping clause and power and authority vested in the Secretary is further emphasized in section 410 of the bill.

In section 410, it is provided:

The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this act and for the benefit of agriculture generally in any area.

Thus, it will be seen that the Secretary is really clothed with the authority of a czar not only in the sugar-producing areas, but as he may see fit and as he may deem "for the benefit of agriculture generally in any area."

It is not a question of whether or not Secretary Clinton Anderson will become a czar. Congress should not vest any individual, the President, or any of his appointees, with any such power. Congress should not abdicate its authority. As representatives of the people, we should not vest or attempt to vest such dictatorial powers in any man in this country.

There are many other provisions in the bill equally as un-American in principle as those to which I have just referred. It is sufficient to say that the Secretary has been given power and authority to allocate according to areas and down to the individual farms, and the authority to define the maximum amount of sugar beets and sugarcane that can be produced in this country. It is planned economy from start to finish. He is given a blank check to carry on his operations as dictatorial as he may see fit. He is given the authority to pass upon contracts between producers and buyers and between producers and their hired help, to penalize people who will not comply with regulations which he promulgates instead of laws being passed by Congress. He is even given the authority that can ultimately determine just how much sugar you and I can consume in this country. On page 6 of the printed report of the committee on this bill, it is stated:

The Secretary of Agriculture is authorized under section 201 to determine the requirements of consumers for each calendar year on the basis of the standards specified therein. In making his determinations the Secretary is directed to protect the welfare of consumers and of those engaged in the domestic sugar-producing industry by providing a quantity of sugar which will be consumed at prices fair to both consumers and the domestic sugar industry.

On page 8 of the committee's printed report, it is specifically stated that section 302 of the bill authorizes the Secretary to establish proportionate shares in each of the domestic areas in terms of each farm's fair share of the total quantity of sugar beets or sugarcane required to be processed to enable the producing area to meet the quota—and provide a normal carry-over inventory—for such area. The proportionate shares—acreage allotments—for farms are to be established on the basis of past production on the farm and ability to produce sugar beets or sugarcane thereon.

The committee handling this bill stated in the committee report on page 8:

It is the judgment of the committee that considerable discretion should be left to the Secretary to deal with the varied and changing conditions in the various production areas, in order to establish fair and equitable shares for farms in such areas.

Does not that sound like New Deal bureaucracy, from which we should be attempting to rid ourselves.

Mr. Chairman, under the circumstances, I think we should face the stern realities that beset us. It does not augur well for us to side-step the issue. If there is a crisis or emergency, and the present 1937 Sugar Act expires December 31, 1947, should we not fearlessly and boldly face the proposition of enacting legislation that is sound and American in principle? The truth of the matter is that the New Deal crowd threw overboard our tariff protections on home industries. This applied to sugar and they substituted subsidies, premiums and bonuses. Tariffs are paid by the consumer of the goods upon which tariffs are collected, while subsidies are paid out of the public Treasury by the taxpayers, regardless of whether or not they are consumers of such commodities. If it is wrong in principle to subsidize the sugar industry, by paying subsidies to the producers and the processors and marketers, we should face the issue and decline to do so. We should provide other sound procedures, procedures which are economically sound and are not just temporary make-shifts, such as the committee admits this bill is intended to be. In the meantime, most important of all, we should not vest in any man the dictatorial powers that this bill seeks to give the Secretary of Agriculture.

The bill is New Dealish in every respect. Hence, I cannot and will not vote for its passage.

Mr. CURTIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed out of order, and to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. Mr. Chairman, again a great flood is rolling down in the Republican River Basin. Canyons, creeks, and tributaries, as well as the main stem of the Republican River, are overflowing with water, destroying property, and causing the inhabitants to evacuate. At Cambridge, Nebr., where death through floods struck about 3 weeks ago, taking the lives of 14, it is again under water. The basements are filling up and the people are moving out.

Mr. Chairman, flood relief must come to this territory now. It so happens that the flood-control work in much of this region is to be done by the Bureau of Reclamation. It is imperative that the conferees now working on that bill appropriate every dollar possible for this territory involved. I wish to read a telegram that I have received. It was sent late last night:

Two feet water swept through streets Culbertson 5 p. m. today, stopping all transportation and business, according to Carl Swanson, attorney. Fully twice as much water coursed over nearby Hitchcock County fair grounds. Property and home damage heavy in lower part of town. This flash flood caused by sudden rain of 3 to 5 inches falling on water-soaked hillsides north of town.

Heavy rains were general throughout this region, so it was certain that another high-water crest will go down the Republican River tonight, although serious floods not expected in lower valley unless rain continues.

In flood-harrowed Cambridge, 2-inch cloudburst fell in 40 minutes, halting clean-up work still less than half complete from June 22 flood. Since considerable rain fell upstream along Medicine Creek, especially near Curtis, Cambridge citizens were watching for another flood crest tonight.

Indianola inhabitants, who suffer annually from flash floods of Coon Creek, anxiously watching for a possible 4-foot wall of water on that stream.

Two- and three-inch rains fell over northwest Kansas, so farms and towns along Beaver Creek expected their second flooding in less than month. Localized 5-inch cloudburst caused flood at Stratton Tuesday.

All developments serve to demonstrate for the thousandth time the vulnerability of this region to floods that can be caused by rainfall of as little as 2 inches, especially when rain falls fast and ground already saturated as was case again today. Unknown damage to crops; unknown amount of rich topsoil washed away, all of which again demonstrates expensively that this water must be stopped and controlled as near source as possible, used for good of greatest number of people, and prevented from causing additional devastation. Army engineers and Bureau should act immediately to avoid a repetition of today's flood at Culbertson and those recently at Cambridge and other communities in the Republican Valley and tributaries and throughout the country.

This morning another telegram arrived giving me the picture of the situation as it was at 2:30 this morning. This telegram mentions Medicine Creek and the town of Cambridge. This is the same town and the same creek that had the unfortunate flood that I previously mentioned. That telegram is as follows:

Just made trip West. Water over highway seven places from McCook to Culbertson. Every dry canyon and creek overflowing over lowlands and highways. River running full bank to bank here 2 hours ago. Flash rains all the way from 2 to 6 inches. Cambridge basements now filled with water and people evacuating the town. Six inches of water reported north of Cambridge late this afternoon with about same fall in some localities west. All communications out in that territory. Lester Simes, highway department, says Fox Creek and Curtis Creek highest in history which dumps into Medicine Creek, both creeks sending water over highway bridges. Small dikes built by people of Cambridge washed out, and people moving again after trying to rehabilitate themselves. Dry creeks running full and out over lowlands west of McCook, destroying farm lands and destroying crops and threatening lives. This is the picture this morning at 2:15 by a good reporter. Nobody knows what conditions are on headwaters of Red Willow, Medicine, and other tributaries because of lack of communications.

Mr. Chairman, one of the worst floods in the entire United States occurred in the Republican Valley. There are few such tragedies that take the lives of more than 100 people in any one locality. That did happen on the Republican River in the spring of 1935. At that time, 112 people were drowned. In the 3 or 4 years that followed that devastating flood, which destroyed millions of dollars in property, besides many millions more in topsoil, not one thing was done by the Government of the United States to bring flood control and a program of water utilization to the Republican River Basin. It is not an idle remark to say that this area, from the standpoint of such needs, is the most neglected spot in our country.

Mr. Chairman, with all the earnestness at my command, I urge that the conferees now working on the Interior bill take cognizance of this tragic situation and appropriate the full amount needed. I urge that this House support them in that move.

The Republican River and its tributaries arise in northwestern Kansas, eastern Colorado, and southwestern Nebraska. In that section the river spreads out like the fingers of a hand. The river-control work in that west part of the basin where the tributaries are located is under the jurisdiction of the Bureau of Reclamation. The Army engineers are building an on-river dam a little farther east at Republican City. It is the Harlan County Dam. This House has already recommended $3,775,000 for the Army engineers to carry on the construction work of that dam. That amount must be raised. It ought to be raised beyond the budget estimate. The June floods have done great damage in the area to be protected by the Harlan County Dam. Much of the work already done will have to be done over. The floodwater reached heights almost equal to the flood of 1935.

The Army engineers are also scheduled to work on Coon Creek. The amount needed for this purpose is small and it should be provided. I urge the Army engineers to speed their work in that valley and I plead with the Congress to make funds available to rush this work to completion.

Under the existing set-up which has prevailed for many years, regions such as the Republican Basin get no benefit whatever from emergency flood appropriations. This year, Congress provided $12,000,000 for such emergency work. That work is performed by the Army engineers. It is confined to the repair, strengthening, and maintenance of levees, flood walls, and other flood control works built by the Federal Government. To those unfortunate areas where no flood control work has ever been done, this emergency appropriation means nothing.

Mr. Chairman, I ask the help of this Congress in bringing flood control and a program of water utilization to this great area. The people are honest, hard working, thrifty, and energetic. Time and time again, they have suffered great property losses from floods. They have seen their neighbors' and their loved ones lose their lives. They are today facing high water and floods. I ask that the programs authorized and undertaken be speeded to completion.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield.

Mr. CASE of South Dakota. Of course, the gentleman is aware of the handicap that the conferees work under in view of the fact that they must operate on the bill as passed by the House and as passed by the Senate, and there was no particular reference to the Medicine Creek Dam in either bill. I am entirely sympathetic to the gentleman's proposition, however, and hope we can do what he wants, as I understand this dam is part of the Frenchman-Cambridge project.

Mr. CURTIS. I realize the limitations on the conferees, but the Cambridge Dam is part of the Frenchman-Cambridge project which is a phase A project and one eligible for Bureau of Reclamation money ever since the war ended. I have investigated and I find that money can be made available for this dam.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

There are no further amendments at the desk and, under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CUNNINGHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 4075, pursuant to House Resolution 273, he reported the same back to the House with sundry amendments adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. FLANNAGAN. Mr. Speaker, I offer a motion to recommit which is at the desk.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FLANNAGAN. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FLANNAGAN moves to recommit the bill to the House Committee on Agriculture with instructions to report the bill back forthwith continuing the Sugar Act of 1937 for 1 year and providing for reallocation of any of the 1948 deficit in Philippine continental beet- and cane-sugar quotas in accordance with the provisions of H. R. 4075.

Mr. HOPE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. FLANNAGAN) there were—ayes 47, noes 101.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. FLANNAGAN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were refused.

The question was taken, and the bill was passed.

A motion to reconsider was laid on the table.

PERMISSION TO COMMITTEE ON DISTRICT OF COLUMBIA TO FILE REPORTS

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight tonight to file sundry reports.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEGISLATIVE APPROPRIATION BILL, 1948, SENT TO CONFERENCE

Mr. JOHNSON of Indiana. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3993) making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes, with sundry amendments thereto, disagree to the amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. JOHNSON of Indiana, TIBBOTT, CANFIELD, GRIFFITHS, CANNON, KIRWAN, and ANDREWS of Alabama.

SPECIAL ORDER GRANTED

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes today following the disposition of the legislative business of the day and any other special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO SUBCOMMITTEE ON ELECTIONS TO SIT DURING SESSIONS OF HOUSE

Mr. GAMBLE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration may on Monday and Tuesday next sit during general debate during sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mrs. BOLTON (at the request of Mr. HALLECK) was given permission to extend her remarks in the Appendix of the RECORD and include an editorial.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. POAGE asked and was given permission to extend his own remarks in the Appendix of the RECORD and include a proclamation of the Governor of Texas.

Mr. PATMAN asked and was given permission to extend his own remarks in the Appendix of the RECORD in three separate instances and include certain statements and excerpts.

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article written by Robert L. Norton appearing in the Boston Post.

Mr. PRICE of Florida asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement.

Mr. DURHAM asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. HORAN asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and include editorials in each.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix and include excerpts from the Great Globe Itself.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include some testimony given before the Committee on Ways and Means.

The SPEAKER. Without objection, the extension may be made.

There was no objection.

SERGE RUBINSTEIN

Mr. MICHENER. Mr. Speaker, by direction of the Committee on the Judiciary, I call up House Resolution 254, which is privileged.

The Clerk read the resolution, as follows:

Resolved, That the Secretary of State is directed to transmit forthwith to the Committee on the Judiciary of the House of Representatives all documents, papers, memoranda, and other records in the possession of the Department of State relating to the granting to Serge Rubinstein of permission to qualify for entry into the United States as a permanent resident.

Mr. MICHENER. Mr. Speaker, I ask that the report be read.

The Clerk read as follows:

The Committee on the Judiciary, to whom was referred the resolution (H. Res. 254) directing the Secretary of State to transmit forthwhile to the Committee on the Judiciary certain documents, records, and memoranda relating to one Serge Rubinstein, having considered the same, reports unfavorably thereon without amendment and recommends that the resolution do not pass.

GENERAL STATEMENT

The committee recommends against the passage of the resolution because information, as requested in the resolution, has been furnished the Committee in a letter from the Department of State, the text of which is included in this report for the information of the House, insofar as such papers are in the possession of or available to the Department of State. The photostatic copies of documents which accompanied the report of the Department of State and which are referred to in the letter, are in the custody of the committee and are available to the Members of the House upon request. Furthermore, the Department of State has tend-

ered to the Congress all papers in its possession with reference to the subject matter of the resolution, and will produce any or all of them which will serve to substantiate or amplify the contents of its letter.

Mr. MICHENER. Mr. Speaker, the report from the department is, in the opinion of the Judiciary Committee, complete. I move that the resolution be laid on the table.

The motion was agreed to.

Mr. MICHENER. Mr. Speaker, I offer another privileged resolution (H. Res. 255), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Attorney General of the United States is directed to transmit forthwith to the Committee on the Judiciary of the House of Representatives all documents, papers, memoranda, and other records in the possession of the Department of Justice relating to—

(1) the entry into the United States of Serge Rubinstein as a permanent resident;

(2) any investigations made as to the validity of the said Serge Rubinstein's Portuguese passport;

(3) any investigations made as to the truth of Serge Rubinstein's representations with respect to his parentage and citizenship;

(4) any investigations made as to the activities of the said Serge Rubinstein prior to his entry into the United States, and as to whether he was a desirable or undesirable alien;

(5) any investigations made leading to the issuance of an order of deportation of the said Serge Rubinstein;

(6) the revocation of such order of deportation by the Board of Immigration Appeals and/or any facts or investigations in connection therewith, including any activities of the said Serge Rubinstein directed to obtaining the revocation of the deportation order against him;

(7) any investigations made to determine whether the said Serge Rubinstein should be prosecuted criminally for alleged violations of laws administered by the Securities and Exchange Commission;

(8) any investigations made to determine whether the said Serge Rubinstein utilized corporate funds, particularly those of the Chosen Corporation, a British corporation, for his personal gain;

(9) any investigation made with respect to the activities of one Paul O'Leary Buckley in connection with the sale to Serge Rubinstein of an interest in Taylorcraft Aviation Corp. to enable the said Serge Rubinstein to establish a grounds for deferment from training or service under the Selective Training and Service Act of 1940, including any documents, papers, memoranda, or other records showing what efforts were made to secure an indictment against the said Buckley for conspiracy to violate the Selective Training and Service Act of 1940;

(10) any investigations made with a view to determine whether the said Serge Rubinstein was liable to indictment and prosecution for fraud under the Federal income-tax laws;

(11) any investigations made with respect to the truth of representations of the said Serge Rubinstein which resulted in the many changes in his classification under the Selective Training and Service Act;

(12) any investigations made with respect to the activities of one H. Ralph Burton, former counsel to the House Committee on Military Affairs, or with respect to the activities of any other member of the staff of such committee, in connection with the classification of the said Serge Rubinstein under the Selective Training and Service Act of 1940;

(13) any investigations made with respect to alleged expenditures of moneys or other things of value by the said Serge Rubinstein in Washington, D. C., and elsewhere, for the purchase of influence;

(14) any investigations made in connection with the indictment and prosecution of the said Serge Rubinstein for violation of the Selective Training and Service Act of 1940;

(15) the delay of 15 months in bringing the said Serge Rubinstein to trial on such indictment;

(16) the assignment of Judge James F. T. O'Connor to preside at the trial of the said Serge Rubinstein on such indictment;

(17) recommendations, if any, of the Department of Justice or any representative thereof with respect to sentence of the said Serge Rubinstein, and the reasons, if any, for making any recommendations in particular;

(18) the practice and procedure of the Department of Justice relating to the admission of visitors and others to interview prisoners at the Federal Penitentiary at Lewisburg, Pa.; and

(19) temporary absences, if any, with the permission of prison officials, of prisoners from the Lewisburg Penitentiary during the period of their confinement.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the report be read.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the report as follows:

The Committee on the Judiciary, to whom was referred the resolution (H. Res. 255) directing the Attorney General to transmit forthwith to the Committee on the Judiciary certain documents, records, and memoranda relating to one Serge Rubinstein, having considered the same, reports unfavorably thereon without amendment and recommends that the resolution do not pass.

GENERAL STATEMENT

The committee recommends against the passage of the resolution because information, as requested in the resolution, has been furnished the committee in a letter from the Department of Justice accompanied by a lengthy memorandum, the texts of both of which are included in this report for the information of the House. It will be observed that the memorandum referred to is arranged so as to provide specific answers to each one of the inquiries contained in the resolution in the order in which they appear in the resolution. Moreover, the Attorney General has tendered any part or all of his voluminous file to the Congress for inspection at the pleasure of the Congress. However, it is believed by the committee that the memorandum contains in synopsis form all of the information which could otherwise be obtained by the Congress from an exhaustive examination of the file itself.

Mr. MICHENER. Mr. Speaker, I think the answer of the Department of Justice is complete and furnishes the evidence asked for.

The Judiciary Committee has no knowledge as to just what is intended or sought by the gentleman from New York. Under the rules he is entitled to this information and we have secured it for him. The gentleman has asked for 20 minutes of the hour allotted and I therefore yield to the gentleman from New York [Mr. BUCK] 20 minutes.

SERGE RUBINSTEIN—CONVICT AND DRAFT DODGER

Mr. BUCK. Mr. Speaker, the resolutions to which the distinguished chairman of the Judiciary Committee has just referred were introduced by me on June 24.

Prior thereto, on June 3, I had addressed a letter to the Attorney General asking questions as to the topics embraced in the resolutions. Sunday I received from Douglas W. McGregor, the assistant to the Attorney General, a 10-page reply to my June 3 letter. Time has not permitted me to compare this McGregor reply with the answer which the Attorney General made to the Committee on the Judiciary. Since the questions were similar, however, I assume that the answers are similar.

I feel that I am speaking for 10,000,000 veterans and for scores of millions of other decent American citizens when I say that the case of Convict Serge Rubinstein is one of the most shocking in the entire history of our country. I daresay there is no Member of this House who has not been appealed to by the family of some GI from his home district who, after having fought through the hell of battle, and probably as a result thereof, went a. w. o. l., was charged with desertion, sentenced to prison for 5 years or longer, then was afflicted with a dishonorable discharge to blight the remainder of his life. This GI lacked highly placed friends and highly paid lawyers to smooth away his difficulties. Not so Serge Rubinstein. Serge Rubinstein dodged both service and battle. He got off with a 2½-year prison sentence from which good behavior will free him in nine short months.

From your district, Mr. Speaker, from my district and from the districts of every Member of this House, there were scores of boys who willingly answered the call of their country, suffered for their country, and never returned to their country. They lie buried overseas. But not Serge Rubinstein. His pampered body was not for battle. While American boys suffered and died Serge Rubinstein was mulcting millions of dollars from American investors. He utilized these ill-gotten gains to hire highly placed and high-priced lawyers to exempt him from battle by befuddling, delaying, and defeating the draft law. Then, with the war ended and no more danger to his sleek person, he is currently content with 9 months' incarceration—clean, healthy, and well-fed—in a tax-supported Federal penitentiary.

It is true that Serge Rubinstein was given an additional penalty, $50,000. That is small change to Rubinstein. He knows that his millions will be awaiting him when he steps through the penitentiary doors a few months hence. The war was good to him. It was not so good to GI Joe, whose pitiful pieces rot on Iwo Jima.

What persons, what bureaus, what departments are culpable in Rubinstein's preferential treatment?

Let us examine this fantastic case of Rubinstein in somewhat greater detail.

By his own sworn statement, made in the presence of his mother, he is a Russian-born bastard. His youth and young

manhood were spent in various parts of Europe, inclusive of education in Cambridge University, England. It was in France, however, that he commenced the financial manipulations which invariably brought two results—enrichment for Rubinstein and lawsuits by those who lost money at his hands. Serge Rubinstein learned how to handle lawsuits. They never appear to have damaged him seriously.

Rubinstein's first entry into the United States was on a passport issued by the French Government. He was en route to Japan as an owner or official of a British corporation with Japanese mining interests. Within some 4 months after one of his entries into the United States on this French passport, he suddenly, in March 1936, appeared at our border with the Portuguese passport he had acquired in Shanghai. This change in citizenship apparently caused Rubinstein no delay or embarrassment in entering the United States. He was skillful at perfecting arrangements. Then, on April 2, 1938, on his Portuguese passport, and despite his questionable background, he was admitted to the United States as an immigrant for permanent residence under the Russian quota.

It was not until February 7, 1941—nearly 3 years later—that the Department of State got around to inquiring of the Portuguese Ministry of Foreign Affairs as to the validity of Rubinstein's Portuguese citizenship. The Portuguese Ministry, in its reply of July 10, 1941, cited documents which, as per the current statement of the Attorney General, "were considered spurious by the American authorities." But it was not until April 3, 1943—a year and three-quarters later—that a deportation warrant was served. Meanwhile, the war had begun and Rubinstein, as per custom, was cleaning up in the New York Stock Exchange. Apparently he was immune from the regulations of SEC. In May 1941, the Portuguese consul in New York City not only certified to the validity of Rubinstein's Portuguese passport used by him in entering this country in March 1936, but even went further and stated that Rubinstein possessed a valid Portuguese passport in 1935 at the very time when he was using a French passport for his entry to this country. Rubinstein stayed on. In October 1943, the Board of Immigration Appeals ruled that charges in the warrant of arrest had not been sustained. It is significant to note that it was not until April 1947, that the State Department forwarded to the Justice Department a communication from the Portuguese Minister of Foreign Affairs to the effect that Rubinstein's Portuguese passport was invalid. Seven years had elapsed since the Department of Justice had requested the Department of State to obtain this information. It was only received during the month in which Rubinstein was sentenced in the United States Court for the Southern District of New York for violation of the Selective Training and Service Act of 1940.

Selective service caused Rubinstein some anxious moments, but not too anxious. I am told that his draft classification was changed no fewer than 15 times. At one time, a counsel in the employ of the House Committee on Military Affairs wrote a letter to General Hershey requesting that Rubinstein's I–A classification be appealed to the President. General Hershey refused to make the appeal, but the Attorney General has given me no information as to the circumstances under which this employee of the Committee on Military Affairs was so considerate of Mr. Rubinstein's skin.

Rubinstein's stock-market killings in the interim finally awakened the SEC. The United States attorney, however, found no grounds for prosecution.

Finally, on January 30, 1946, Rubinstein was indicted for evading the draft. The war was over. The crime cited in the indictment was committed in 1943.

Mr. Speaker, a train of circumstances such as I have recited does not just happen. I asked the Attorney General if rumors of purchase of influence, bribery or attempted bribery had been investigated. The Attorney General advises me, and I quote:

> As yet they have not been susceptible of proof and I would not wish to discuss them further at this stage. * * * Certain of these matters are receiving the continued attention of the Department.

Continued how long, I ask—for another 7 years? Mr. Speaker, the veterans of World War II want the facts—all of the facts—with regard to Serge Rubinstein. I am today introducing a resolution calling for a special congressional investigation.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Tennessee.

Mr. JENNINGS. The gentleman has rendered a fine service to the people of this country. I am just wondering if there is machinery, if there are laws, if there are officials who will take active, efficient, and determined steps to get that gentleman out of this country. If he smells like the penitentiary from now on, it would be a sweet-smelling rose compared to what his record is in this country.

Mr. BUCK. For the benefit of the gentleman I would say that I have been informed by the Attorney General that immediately upon his release from prison means will be taken to deport him. How successful those means will be, I do not know.

Mr. JENNINGS. In that connection, as far as I know, we just cannot get him out.

Mr. BUCK. Apparently not.

Mr. JENNINGS. We tried Harry Bridges from every angle of the compass and he is now a perpetual cancer on the body politic.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Pennsylvania.

Mr. WALTER. May I call the gentleman's attention to the fact that the alleged violation of the Securities and Exchange Act was submitted to a grand jury. As the gentleman said, the United States attorney did not act. Of course he could not act and did not act, because the Federal grand jury failed to indict Rubinstein.

Mr. BUCK. I thank the gentleman.

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALTER.]

Mr. WALTER. Mr. Speaker, because of the seriousness of the charges made by the gentleman from New York and also the accusations made by a certain broadcaster, at the request of the chairman of the Committee on the Judiciary, on my way to my district last week I stopped off at the Federal penitentiary at Lewisburg in order to ascertain whether or not Rubinstein was being accorded any special treatment; if he had a private apartment; whether or not his meals were being sent in from the outside, as was charged; and whether or not he was receiving an unlimited number of visitors.

My visit to the penitentiary was unannounced. When I got there I asked the warden to see Rubinstein and he said that he would send for him. Whereupon I said, "No, I want you to take me to him immediately." So I went through the penitentiary to the "apartment," if you please, which Mr. Rubinstein occupies. I found that he was quartered in a cell block with 40 other prisoners and that, despite the fact that he is a graduate of Cambridge, a very intelligent and successful businessman, he was performing the most menial job in the penitentiary. For you men who served in the Navy I need but say that he was "captain of the head," and you would recognize immediately what his duties were. I then went to the place where all visitors at the penitentiary are required to register.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield.

Mr. MICHENER. I served in the Army and never was in the Navy. I wonder if the gentleman could explain the duties of the "captain of the head."

Mr. WALTER. Never having occupied that high position myself, but, however, having assigned men to those duties, I speak with some degree of authority when I say he is the gentleman who keeps the gentlemen's room clean.

Incidentally, this prisoner's immediate superior was a hard-boiled, old Regular Army sergeant. If you can imagine the kind of treatment a draft dodger was receiving at the hands of his boss, then perhaps you know the kind of preferential treatment that was being accorded him.

An examination of the official records at the gate disclosed that Rubinstein has had three visits since he has been in the penitentiary, and each prisoner is allowed an hour visit a month. Two of the visits were from his mother and the third one from his wife and daughter. Each visit being of a half hour's duration.

After I had seen enough to understand that perhaps the sensational charges that were being made were being made for an ulterior purpose—certainly they were made out of whole cloth—I asked permission to talk with the prisoner.

I hold no brief for this prisoner. But he tells me the most amazing story I

have ever heard. Judge JENNINGS, when you said that he would be a cancer on the body politic permanently, you are dead wrong, because part of the sentence imposed carried with it his deportation because under the law, within 30 days, I believe it is, after a sentence for a felony is imposed, the court may within its discretion suspend the order of deportation. But at the insistence of the Attorney General the order of deportation was not suspended. The record discloses that the Department of Justice not only vigorously prosecuted the case against Rubinstein but insisted on an unprecedented amount of bail when the indictment was found. After Rubinstein was convicted the Department of Justice insisted that the judge impose a sentence of 5 years and to pay a fine of $50,000. I am reliably informed that the sentence imposed on Rubinstein was one of the most severe imposed on anyone convicted of draft evasion.

Furthermore, this man was denied bail on appeal. He has appealed his conviction, but the court refused to fix bail, at the insistence of the Attorney General of the United States. I think it is important that the Congress have before it these facts in deciding whether or not Serge Rubinstein has been accorded any special consideration.

Mr. MICHENER. Mr. Speaker, of course, the committee has no information other than what has been stated in the report of the Attorney General. The resolution which the gentleman from New York [Mr. BUCK] will propose, under the rules, will be referred to the proper committee. I can speak, I think, for any committee in the House when I say that that committee will give proper consideration to any resolution referred to it.

I was pleased with the report from the Attorney General, because it seemed to be responsive to the inquiry. In addition to the report, the Attorney General personally called the Judiciary Committee and said he had furnished, from the vast amount of material in the Department, the pertinent information answering the questions, but that he would be pleased, indeed, to confer with any Member of Congress at any time with reference to the matter, and to furnish any additional evidence. The same happened with reference to the State Department inquiry, except that the State Department sent a representative to the Committee on the Judiciary offering to be of any assistance and offering to provide any information available in the Department. In short, the Department of State and the Department of Justice were anxious to cooperate.

Mr. Speaker, I move that the resolution be laid on the table.

The SPEAKER. The question is on the motion of the gentleman from Michigan [Mr. MICHENER].

The motion was agreed to.

A motion to reconsider was laid on the table.

TERRITORY OF THE PACIFIC ISLANDS

Mr. FULTON. Mr. Speaker, by direction of the Committee on Foreign Affairs, I ask unanimous consent for the immediate consideration of House Joint Resolution 233.

The Clerk read the resolution as follows:

Whereas the United States submitted to the Security Council of the United Nations for its approval in accordance with article 83 of the Charter of the United Nations a proposed trusteeship agreement for the Pacific islands formerly mandated to Japan under which the United States would be prepared to administer those islands under trusteeship in accordance with the Charter of the United Nations; and

Whereas the Security Council on April 2, 1947, approved unanimously the trusteeship agreement with amendments acceptable to the United States; and

Whereas the said agreement, having been approved by the Security Council, will come into force upon approval by the Government of the United States after due constitutional process: Therefore be it

Resolved, etc., That the President is hereby authorized to approve, on behalf of the United States, the trusteeship agreement between the United States of America and the Security Council of the United Nations for the former Japanese mandated islands (to be known as the Territory of the Pacific Islands) which was approved by the Security Council at the seat of the United Nations, Lake Success, Nassau County, New York, on April 2, 1947.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. FULTON]?

There was no objection.

Mr. FULTON. Mr. Speaker, as a serviceman from World War II who served in the Navy in the Pacific, it is a pleasure to outline from first-hand information some of the facts and circumstances surrounding the Japanese mandated islands and the proposed trusteeship agreement under the United Nations Charter.

The islands concerned in the agreement are the Marshalls, the Carolines, and the Marianas. The Marshalls are best remembered for our great task force action when we took Kwajalein and Eniwetok. The Japanese Marianas were taken later when we took Saipan and Tinian and retook Guam. These islands were the base for the great bombing raids on Japan. The Carolines, lying farther south, included the Truk atoll, which, in the early part of the war, was the greatest Japanese fleet base away from Japan.

As former Senator Warren B. Austin, the American representative with the United Nations, stated in his presentation to the Security Council on February 26:

The tremendous strategic value of the mandated islands to Japan is evident, however, in the way these islands were used in carrying out its basic plan of aggression. Before Japan entered the war on December 7, 1941, she had established fortified positions, naval bases, and air bases in the islands of the Japanese mandates. As a whole, the islands formed a deep, well-defended barrier between the United States and Guam, the Philippines, and its British and Dutch allies in the Far East.

The Japanese hold on these islands forced us to circuitous routes, with a very long and costly turn-around for ships, in order to support the defense of Australia, and to maintain the resistance of China.

The total population of the islands is only 48,000, and this is scattered among the 98 islands and atolls over 2,600 miles of ocean. The entire area is economically poor. The population lives in backward conditions, producing for export only a small quantity of sugar, dried coconut, phosphate rock, and dried fish. The very thin distribution of the population of the whole area would make independent self-government impracticable.

Two of the island groups, the Marianas and the Carolines, were under Spanish sovereignty for a long time, until the end of the last century. Guam, in the Marshalls, was ceded to the United States after the Spanish-American War. In 1899 Spain sold the rest of the islands in the two groups to Germany. Germany had taken possession of the Marshall Islands for herself in 1885. Japan invaded these islands, which had no German garrisons, during World War I. The only exception was Nauru, which was occupied by Australia. After World War I the German rights were ceded by Germany to the Allied and Associated Powers and eventually were transferred as a mandate under the League of Nations to Japanese control. Japanese withdrawal from the League in 1933 raised the question of her status as a mandate power, but Japan maintained her mandate until World War II. The actual title to the territories was never vested in Japan, however, and this was accepted in principle by Japan itself. The Cairo Conference of November 1943, stated as one of the war aims of the United Nations the elimination of Japanese control over all the islands seized by Japan after 1914, and over all territories invaded by Japan more recently.

The disposition of such territory after the Second World War provided for in chapters 12 and 13 of the United Nations Charter. Specific provisions are made for the transfer of former mandates to the new trusteeship system, for the designation of strategic areas in mandated territory, for the protection of the rights of the native populations, and for the obligations of administering authorities for international peace and security in accordance with the principles of the Charter.

The decision of the United States to apply for a trusteeship over these territories was arrived at after lengthy discussions between the Departments of State, War, and Navy. The draft of a trusteeship agreement was submitted to all members of the Security Council and to other insterested states for their information in advance of its submission to the United Nations. Mr. Austin, the American representative, presented the draft agreement formally to the Security Council on the 26th of February last.

The Security Council considered the draft agreement at five sessions extending over a period of more than a month during March and April. It was finally approved unanimously on April 2 with three minor amendments. Mr. Austin had voted for these three amendments on behalf of the United States, and had refrained from voting against all other amendments not acceptable to the

United States in order to avoid using the veto power. None of the amendments on which he refrained from voting were passed.

The agreement itself, which is printed in House Document No. 378, provides for the welfare of the native population, for the security interests of the United States, and for the obligations of the United States as administering authority under the principles of the Charter. The provisions of the agreement concerned with the welfare of the inhabitants were also discussed by Mr. Austin in his statement:

Articles 6 and 7 of the draft trusteeship agreement submitted to the Security Council contain strong provisions relating to the political, economic, social, and educational advancement of the inhabitants of this territory and to guaranties of their basic human rights. These are the fundamental objectives of the trusteeship system, aside from the strengthening of international peace and security. The United States is glad to invite the members of the Security Council to make a searching examination of the provisions contained in these articles, not only in relation to the requirements of the Charter but in relation to the comparable provisions of the trusteeship agreements approved by the General Assembly last December. The United States believes these articles, taken together with other provisions of the draft agreement, provide a maximum degree of protection for the welfare and advancement of the inhabitants of these islands.

The agreement also permits the United States to declare any part of the area closed, in which case such part of the area shall not be subject to inspection by the United Nations. It also permits the United States to fortify any part of the area and to establish naval or other bases. The agreement cannot be terminated or modified without the consent of the administering authority, the United States. The agreement is to go into effect when ratified by the Security Council and by the United States.

The decision to approve the agreement by joint resolution, rather than by the consent of the Senate, was made, as indicated in the President's letter to Congress, on the ground that the future administration of the territory will be the concern of both Houses.

The approval of the agreement at this time will permit the introduction of normal civilian administration in the islands, and will establish United States control on a regular basis in advance of any treaty of peace with Japan. The naval administration of the islands must continue until the trusteeship is regularized.

Mr. MANSFIELD of Montana. Mr. Speaker, I am wholeheartedly in accord with House Joint Resolution 233 and I want to compliment my colleague, the gentleman from Pennsylvania [Mr. FULTON] for the statesmanship shown in introducing this legislation and his ability in presenting the case for it.

My views on the ex-Japanese mandates are well known and I am happy to join with the gentleman from Pennsylvania in urging that the House consider this important resolution and give to it immediate approval.

The national security of the United States is protected by this measure which, when passed by the Senate and signed by the President, will give us the kind of a title to the new Territory of the Pacific that we should have and which we have earned.

Mr. Speaker, I insert with my remarks excerpts from a report I made to the House on February 3, 1947, and which deal with the Japanese mandates and their administration:

On December 10 I arrived at Peleliu in the Palaus and immediately went by seaplane to the island of Anguar to look into the disposition of the phosphate deposits there. We have a million tons of this valuable commodity in Anguar and a contract has been let to an American concern—the Pomeroy Co.—to get it out. It is being sent to Japan, in Japanese ships, to help rehabilitate the soil there and thus to make that country become more self-supporting. The natives are being paid 55 cents a day, and Japanese sent from Japan $3.50 a day. The American workers are paid at prevailing stateside wages. The phosphate is to be mined at the rate of 300,000 tons a year.

The phosphate at Anguar is extremely rich and valuable for medicinal purposes as well as for use as fertilizer. This phosphate could be used in Hawaii, where it is needed badly, or by nations like the Philippines and China allied with us in the war. There are approximately 200 American civil employees here and the contract is on a cost-plus-fixed-fee basis, which could bear looking into. Furthermore, according to the Great Falls (Mont.) Tribune of December 19, 500,000 tons of Montana-Idaho phosphate have also been scheduled to go to Japan and Korea immediately.

From Anguar I went to Koror, which used to be the seat of the Japanese South Seas government and which directly ruled all the mandated islands. There was much permanent building done here, and all indications pointed to the Japanese being there to stay. In the back of the governor's mansion there was a grass inlaid map of the Palaus, which was remarkable for its intricate detail. The Japanese had 35,000 troops on Koror, but we never did attempt to take the island.

From Koror I went by boat to Babelthuap, the largest island in the group, and visited some native villages and schools. In the Palaus the children are being taught English, which they have to learn from Japanese characters. They seem to be learning our language fairly rapidly.

We have a lot of surplus equipment in the Palaus which we might as well forget because it is either useless or will be soon. Many of our Pacific-island holdings are now Quonset-hut affairs. The U. S. Commercial Company, a subsidiary of the RFC, has a monopoly on trading with the natives in our newly acquired possessions. This organization encourages the native handicrafts and buys what the natives produce and then sends it to the United States for sale. Much that the natives produce is crude, but, with a market, their handicraft can be improved and their subsistence, in part at least, can be taken care of.

The Japanese built up strong defenses, not as complete as those at Truk, but more powerful than those normally built at an outlying base. The Palauan fortifications suffered the first attack when the Eighty-first Army Infantry Division stormed the shores of Anguar about a week previous to the assault on Peleliu by the First Marine Division (reinforced) on September 15, 1944. The Army supported the Peleliu invasion with artillery fire from Anguar during the early stages of the attack, and 2 weeks later the Army joined the marines on Peleliu to aid in the fight. By November 1944 Peleliu was secured.

No attempt was made to invade the major islands north of Peleliu, but, with the two bases, Peleliu and Anguar, being operated mainly as air bases, our planes were able to keep the other islands in the Palaus constantly harassed and subdued. These islands capitulated after VJ-day.

Palau has great military and commercial importance and has been for years the center of Japanese political control of all her Pacific mandated islands. In this island group the Japanese operated a major military base, a fleet anchorage and supply base, an airfield, and seaplane bases—near Koror.

Palau's location gives it considerable strategic importance. One thousand miles west of Truk and only 530 miles from Davao in the southern Philippines, it commands the sea and air routes from China and Japan to New Guinea and the western Dutch East Indies. For this reason it was an important transshipment point for movements of enemy ships, troops, planes, and supplies to the southwest Pacific theater of operations.

From the Palaus I went to the Truk group in the eastern Carolines. Our military government headquarters are located on Moen Island. This island—and all the others in this group—are beautiful. Moen has such things as waterfalls, dense vegetation, and a heavy precipitation. I also visited the islands of Homulum, Udot, Dublon, and Uman.

The people here are light brown in appearance, very docile, and easy to handle. We were entertained on all the islands by singing and dancing. There are about 10,000 inhabitants in the Truk group compared to 5,900 in the Palaus. Both the Trukese and the Palauans impressed me as a happy but bewildered people. They do not look upon us with enthusiasm, but only as the successors to the Spaniards, Germans, and Japanese—all of whom have ruled over them in the last 50 years.

The diseases of greatest prevalence in both groups are tuberculosis and intestinal parasites. Due to the use of penicillin, yaws—which used to be quite prevalent—have been cleared up; there is no indication of syphilis and very little gonorrhea. Sanitary habits are being introduced by the Navy and outdoor toilets are much in use.

Neither the Palauans or the Trukese care to work too much as they have all the necessities of life, except tobacco, and in this respect they are rationed at the rate of four cartons a month. The standard rate of pay in both groups is 40 cents a day.

Truk was not the Japanese "Pearl Harbor" which the American public had been led to believe. The Japanese had a battery of eight 8-inch guns on Moen and a system of caves on all the islands similar to those in use in Japan. Dublon Island was their headquarters and from there the movements of their Fourth Fleet and Thirty-first Army Division were directed. Fortifications were of a very weak character and kind. There was no sign of permanency here as was indicated at Koror in the Palaus. Truk lagoon is large enough to take care of the entire United States Fleet, but to make it practicable a great deal of blasting and dredging would be necessary.

From Truk I proceeded to Kwajalein in the Marshalls, where a good job is being done in administering the islands and their people. Here—as elsewhere in the mandates—there is a lack of personnel and of shipping. However, the situation in these respects is better in the Marshalls than elsewhere because of our earlier occupation. Soil conservation and revegetation programs are in effect, medical services are good and more than one-half of all able-bodied Marshallese are working for the military government or the USCC. The natives are a likable and cooperative people who, in time, can again become self-supporting.

A special word should be said about the natives removed from Bikini for the atom bomb tests. They are located on the island of Rongerik, number about 170, and 60 percent of them are women. They are very unhappy in their new location and desire to

return to Bikini. Because of the infertility of Rongerik they will very likely have to be moved again to a more fertile island or, as an alternative, we must be prepared to subsidize them indefinitely.

Insofar as my own personal views on the mandates are concerned, I covered them in a speech on the floor of the House on April 18, 1945. I would prefer to have the United States assume complete and undisputed control of the mandates. We need these islands for our future defense, and they should be fortified wherever we deem it necessary. We have no concealed motives because we want these islands for one purpose only and that is national security. Economically they will be a liability, socially they will present problems, and politically we will have to work out a policy of administration. No other nation has any kind of a claim to the mandates. No other nation has paid the price we have. These views of mine are not new nor are they the results only of my recent investigative trip to the Pacific. Rather, my stand has been accentuated by what I have seen and I am more firmly convinced than ever of our great need for control of the mandates.

If, however, it does become necessary to create a trusteeship for these islands, I would favor the proposals made by our State Department and President Truman which would place the mandates under the United Nations with the consideration that they should be cataloged as a strategic area outside the control of the Trusteeship Council. On this basis, supervision would be exercised by the Security Council which has jurisdiction over such strategic areas in the interests of collective security. But, and this is important, the United States has a veto over the Security Council should it ever want to assert effective control.

If the Security Council blocked acceptance of America's terms for taking over the mandates as a strategic area, the islands then would remain under our control. It is worth remembering also, that until a treaty of peace is signed with Japan we have no legal title to the mandates.

The question of government is bound to be an important consideration. For a long time I have studied the possibility of civil government for the mandates, but, desirable though that would be, I have come to the conclusion that the only way they could be governed for the present would be by the Navy on the same basis as Guam and Samoa are administered. Personally, I would rather have a civil administration over the mandates, but, in view of practical and realistic considerations, I am forced to the conclusion that the Navy would be the best administrator. It would have the best and only means of maintaining liaison between the various islands and it would have the only trained personnel to carry out the job of administration. Stanford University, which has the task of training military government men for administration of the islands, has done an outstanding job in this respect, and both it and the Navy are to be complimented for the initiative shown and the progress already made. I should suggest, though, that the Navy give to its military government personnel a special status apart from its regular seagoing personnel so that they could be given the recognition they deserve and so that they could deevlop the esprit d'corps necessary to carry out the functions assigned to them. This, I think, would do away with the dissatisfaction I noted on my trip and give to these specialists the status they are entitled to.

I should like to repeat, in conclusion, that my own personal opinion is that civil administration would be best for the mandates. This, however, is impractical at this time, due to the circumstances mentioned. It is necessary, though, that the eventual change over to civilian control be given a thorough study by the Navy Department so that recommendations can be made at the appropriate time to achieve this goal.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, its clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3647) entitled "An act to extend certain powers of the President under title III of the Second War Powers Act."

AMENDMENT OF NATURAL GAS ACT

Mr. RIZLEY. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 278).

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4051) to amend the Natural Gas Act approved June 21, 1938, as amended. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. RIZLEY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH] and yield myself 5 minutes.

The SPEAKER. The gentleman from Oklahoma is recognized for 5 minutes.

Mr. RIZLEY. Mr. Speaker, this rule makes in order the bill (H. R. 4051) amending the Natural Gas Act of 1938 as amended.

The Interstate and Foreign Commerce Committee of the House voted unanimously to recommend passage of H. R. 4051 which was offered for the purpose indicated in its title. This is a bill I introduced as a substitute for H. R. 2185. I may say in passing that the gentleman from Ohio [Mr. CARSON] and the gentleman from Tennessee [Mr. DAVIS] introduced identical bills with H. R. 2185. All of these bills were the basis of extensive hearings conducted by the Committee on Interstate and Foreign Commerce. The original bill I introduced was introduced early in April. Following that for several days the Committee on Interstate and Foreign Commerce conducted hearings under my bill at which time they considered the bills introduced by the gentleman from Tennessee and the gentleman from Ohio.

The Natural Gas Act was passed in 1938. The purpose of that act was to provide authority for the regulating of the interstate phase of the transmission and sale of natural gas. The administration of that act was delegated to the Federal Power Commission. It has become necessary at other times to correct by legislation the course of an administrative agency which has misapplied through interpretation of regulations the authority vested in it by statute; and it is because of what we contend—and I think there is no serious dispute—has happened in the administration of the act that makes this legislation necessary.

The hearings held by the Committee on Interstate and Foreign Commerce were exhaustive. It is a fair statement, I believe, to say that these hearings revealed fully the encroachment by the Federal Power Commission upon: First, the State authority over the production and gathering of natural gas in the field end of the natural-gas business; and, second, the State and municipal authority over sales and distributions on the consuming end.

The hearings revealed that the regulatory power of the Commission as administered has created confusion and actual interference with the industry. The uncertainty extends even to the production of petroleum, as a great percentage of our natural gas, as many know, is produced from wells which also produce oil. The provisions of H. R. 4051 if enacted into law will accomplish the following purposes:

(a) Prevent the Commission from exercising jurisdiction over production and gathering of natural gas and functions and facilities related thereto. That is the very thing that was intended in the 1938 act. It was spelled out in that act or at least everyone thought it was spelled out to the extent that no attempt would be made by an administrative body to attempt to exercise jurisdiction over production and gathering, but the contrary has resulted.

(b) To define clearly and unmistakably the terms used in the Natural Gas Act.

(c) Permit the voluntary operation of interstate natural gas pipe lines for hire as common carriers; and I might say that that is a new phase of the law. The original 1938 act had no provision for making common carriers out of any natural gas lines. This provision was not in ths bill as I originally introduced the bill, but after hearings before the committee and before the bill was finally approved by the Interstate and Foreign Commerce Committee, this amendment was inserted, I will say, by the members of the Interstate and Foreign Commerce Committee, and this amendment was adopted and put in the bill before I introduced the present bill as a clean bill and is in the bill H. R. 4051.

Mr. PRIEST. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Tennessee.

Mr. PRIEST. Would the gentleman have any serious objection to the elimination of that provision from the bill?

Mr. RIZLEY. Let me say to my distinguished friend from Tennessee that he puts me in a rather awkward position.

Mr. PRIEST. I did not so intend.

Mr. RIZLEY. The amendment was not included in the original bill I introduced. After hearings before your committee and in view of many questions that were directed to various and sundry witnesses by members of your committee, it is my understanding that the committee in its wisdom thought that provision or a similar provision should be put in the bill. I would hesitate to consent to strike out a provision or section of the bill put in the bill by the gentleman's fine committee. I am very grateful for the very fine attention that your committee gave me and for the very excellent manner in which it conducted the hearings.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. RIZLEY. Mr. Speaker, I yield myself 10 additional minutes. I continue with the provisions of the bill:

(d) Require the FPC, in rate-making determinations, to allow as an operating expense the prevailing market price of natural gas except where election is made to include investment in and cost of producing and gathering facilities in the rate base.

I think I ought to say something about that provision. It amends the language that is now in the act with reference to the yardstick that shall be used by the Federal Power Commission in fixing rates for the gas companies.

THE COMMISSION'S RATE-MAKING PRACTICE

The Commission's present practice is to consider all properties of a natural-gas company as being subject to its rate-making powers. In fixing wholesale rates it—

First. Determines the costs incurred in all phases of the business of the company, production and gathering as well as transportation.

Second. Determines the amount paid those from whom it purchases gas.

Third. Determines a 6½-percent return or earning on the depreciated original cost of all properties of the company, including production and gathering properties as well as transportation properties.

The sum of first, second, and third is then divided by the number of cubic feet sold in the test year to determine the wholesale price to be charged distributing companies at the outlet of the pipe line.

Under this bill the Commission will not be interested in determining the cost of producing gas. It will—

First. Determine the market value of the gas produced by the company from its own leases.

Second. Determine the amount actually paid by the company for gas purchased from other producers.

Third. Determine a fair compensation for gathering the gas and assembling it at the inlet of the transportation line.

The sum of first, second, and third will represent the allowance to be made the company for gas at the inlet of the interstate transportation system. To that sum the Commission will add what it finds to be a fair return—now 6½ percent under the Commission's policy—on the investment in transportation facilities. In that way the Commission will arrive at the amount of money which is to be divided by the number of cubic feet sold in the test year in order to determine the price the company will be permitted to charge distributing companies.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Illinois.

Mr. MASON. Is this the clause in the bill that our people at home, the city officials, are objecting to because they say it will raise the cost of the gas to the citizens?

Mr. RIZLEY. The gentleman is correct. This is the provision in the bill that numerous officials of some of the cities over the country have written in about. Some of them are apprehensive that this bill might increase the price of gas to the consumer. May I say to the gentleman from Illinois, and I think it is a fair statement, that these letters began to come in after a terrific bombardment was made by the Federal Power Commission against all of the provisions of this bill. I am not going to say that the changing of this yardstick will not increase the rates, but if it does, it would be so nominal that no consumer would be hurt, and I doubt seriously whether it would increase the rate to the consumer, because it will make possible so much additional gas if we get this bill through for the communities such as the gentleman serves, and I think the price will adjust itself without any appreciable increase to the consumer.

Mr. MASON. Will the gentleman clear up the statement that the provisions of the bill would in all probability make for an increased supply of gas which naturally would beat the price?

Mr. RIZLEY. I am glad to do that. Unless we get some legislation that will cure present impediments by FPC to the production and gathering of gas, unless we get some legislation that will again let the industry produce, the situation will not be remedied. I may say there are billions, yes, trillions of cubic feet of natural gas going to waste, and popping off in the States of Texas, Oklahoma, Louisiana, and elsewhere.

The oil companies who have to produce the gas in order to produce the oil, and who will not attempt to do anything with the gas, under the rulings that have been made by the Federal Power Commission because they are afraid that they will be established as a natural-gas company and of course they could not afford to operate if their oil companies are going to be classified as natural-gas companies, consequently that gas is going into the air. If we get the provisions of this bill through, I am sure that an accelerated supply and use of gas will be made; that there will be so much gas and so much competition in the gas business that the price will be very nominal. After all, competition is one of the best things to keep prices in line.

Let me say to the Members of the House that statistics show that the price of natural gas has increased probably less than any other fuel commodity in this country in the past few years. Coal has gone up tremendously.

Mr. BECKWORTH. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Texas.

Mr. BECKWORTH. I think it would be of interest if the gentleman would explain why the companies fear that they will be classed as utilities, and the penalty they will have to pay therefor, which, to wit, is the 6½ percent return.

Mr. RIZLEY. Well, they could be classified as a natural-gas company because the Federal Power Commission has asserted jurisdiction over the production and gathering to such an extent that even though the main business of the company is producing oil and the gas is merely an incident thereto, nevertheless they are fearful they might be held to be a natural-gas company. Consequently they would come under the rules which would allow only 6½ percent return on their investment when, as a matter of fact, the manufacture of gas is only an incident to the production of oil.

Mr. BECKWORTH. In other words, a 6½-percent limitation would cause them not to want to do those things that might possibly classify them as utilities.

Mr. RIZLEY. Yes; may I say not only not want to, but they will not do it, and no other sane businessman would do it.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Indiana.

Mr. SPRINGER. On page 10 of the report where reference is made to direct sales, some consumers in my district are very much confused over the language used in the report. The report, as the gentleman knows, will be looked to for the purpose of interpreting what this law is and what it means.

One provision states that the pipe line does not occupy a utility status with reference to direct sales. I would like to have the gentleman clarify that matter, if he would, and to make specific in the RECORD just exactly what that provision means and whether or not it does apply to this act which is now before the House and whether or not it does occupy a utility status.

Mr. RIZLEY. Let me say to the gentleman that when the committee report was prepared under the direction of the very able member of the committee, the gentleman from Ohio [Mr. CARSON], that not only in the committee report did they attempt to explain all of the provisions of the act, but they took care of some amendments that had been offered by various interested organizations throughout the country, which were not accepted, and in this particular instance they set out in the report the reasons why the amendment offered by one of the interested persons was rejected.

This bill does not change the law one iota so far as direct sales by pipe lines to industrial consumers are concerned. The gentleman from Indiana will note the exact language of the report—and I quote:

The bill makes no change in the present law as to direct sales by pipe lines to industrial consumers, which sales, under the Natural Gas Act, are exempt from Federal Power Commission jurisdiction.

They are exempt now and they will be exempt when this bill is passed. It does not change it in this respect. Further questions from the report:

Your committee feels that no change is necessary in the public interest. Your committee has considered the amendment offered by the National Association of Railroad and Utility Commissioners, proposing to permit the various States to exercise judisdiction over direct sales, and has concluded that the adoption of the amendment would not be in the public interest but would be more likely to add to the existing confusion.

What they mean by that is that it does not occupy a utility status so far as giving the Federal Power Commission jurisdiction over their sales now nor will it when this bill is enacted. The language may be a little confusing, but that is all that means.

Mr. SPRINGER. As I understand, those direct sales are the sales that are made to businesses and factories.

Mr. RIZLEY. That is right, industrial sales along the line. They are the sales that are made.

Mr. SPRINGER. What effect will that have on the small household consumer?

Mr. RIZLEY. It will have absolutely no effect. The Federal Power Commission under its general powers, which we are not changing here at all, has ample and sufficient power to control that sort of situation if it should arise; but in order to make doubly sure and arrest the fears of some of those who thought that maybe they ought to have an additional protection, the committee very wisely adopted a new section and put it in the bill. It is section 6.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. RIZLEY. Mr. Speaker, I yield myself five additional minutes.

Section 6 reads:

Section 7, as amended, of said Natural Gas Act is amended by adding at the end thereof the following subsection:

"(h) It shall be the duty of every natural gas company furnishing natural gas directly or indirectly to any distributing company for distribution and resale to the public as a public utility service to furnish and supply service which is reasonable, having regard to the public utility character thereof, and to the duty of such distributing company to supply reasonable service to its customers. The Commission shall have power upon complaint or upon its own motion, after notice and opportunity for hearing, by order to require any natural gas company to perform its obligations under this subsection and to install and maintain such service instrumentalities as shall be reasonably necessary for that purpose. With respect to trunk transmission facilities this subsection is subject to the proviso contained in subsection (a) of this section."

In addition to the general powers the Commission now has, in addition to this section which we put into this bill, before any pipe line company makes any deal with any distributor, in order to assure that there will be an adequate supply of gas, before they make a contract with the distributing company that contract has to be approved by the Federal Power Commission. The gas company must be able to show and convince the Federal Power Commission that they will have an ample supply of gas to serve the city or the municipality they are going to serve before they can get a permit to build a line to that city. They not only have to sign a contract to the effect that they will furnish an abundant supply of gas but they are required to set out and furnish to the Commission a statement showing that they have an abundance of gas in reserve as a guarantee to that city.

Mr. SPRINGER. Then it has to be approved by the public utility commissions in the several States, does it not?

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. BATES of Massachusetts. Recently the natural-gas companies purchased the Big and Little Inch pipe lines.

Mr. RIZLEY. That is correct.

Mr. BATES of Massachusetts. Can the gentleman inform the Members of the House to what extent the full capacity of these two pipe lines will be used if and when this natural-gas program is fully developed?

Mr. RIZLEY. May I say to my distinguished friend from Massachusetts that it is my understanding that they expect to have them in full capacity use in order to take care of any potential shortages that may come about this fall. This bill does not relate in any way to the Big Inch or Little Inch pipe lines.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. GROSS. I want to say to the gentleman that I am going to support your resolution. I will tell you why.

When coal miners and operators jointly get together and force the price of coal so high that even a coal miner cannot burn coal in his home to keep his family warm, it is about time we started protecting the public against that kind of stuff. I am going to support your resolution.

Mr. RIZLEY. I appreciate the gentleman's support.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. JAVITS. I have some telegrams which indicate that the consumers were not given an adequate hearing before the committee in connection with this bill. Is there anything to that assertion?

Mr. RIZLEY. I am afraid those telegrams must have emanated from some propaganda sponsored by someone opposing this legislation because I thought the committee heard everybody who wanted to be heard.

I yield to the distinguished chairman of the Committee on Interstate and Foreign Commerce, the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Speaker, in answer to the question which has just been suggested by the gentleman from New York, I would like to say that hearings were held on this bill on April 14, 15, 16, 17, 18, and May 28 and 29. They covered over 700 pages and everybody who made an application to be heard by the committee was given that opportunity.

Mr. JAVITS. I thank the gentleman.

Mr. WORLEY. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. WORLEY. If this legislation is not passed, there is absolutely no limit whatever to how far the Federal Power Commission will go in reaching out to get more and more powers which the Congress never intended them to have.

Mr. RIZLEY. That is exactly what we think, I will say to my friend from Texas.

If I may be permitted to proceed—if the natural gas industry is to produce and deliver to the hungry, consuming public that wants and needs natural gas, it is imperative and necessary that this bill be passed.

I think, in closing, Mr. Speaker, no stronger language for the necessity of this legislation can be found than that contained in the statement of the present Chairman of the Federal Power Commission, Mr. Smith, in his opening statement at the Kansas City hearings on docket 580.

You will remember that about 2 years ago a resolution was put through authorizing the Federal Power Commission to make an intensive study of the whole natural-gas industry and they held hearings all over the country at various and sundry places. Among other places, they held a hearing at Kansas City. They were supposed to file a report sometime last summer and then again last fall. Then they said they would have it ready when Congress convened this year. They did not have it ready, and they thought they might have it ready by June. Well, it is not ready yet. But I find that when Congress is in session and when there is some legislation pending they follow pretty closely the rules and regulations laid down by the Congress, but as soon as Congress adjourns, then those opinions which hamstring the industry in every way, shape, form, and fashion begin to show up. It will be interesting to note that one of the things we charged the Federal Power Commission with is their delay. People try to build some gas pipe lines and there is a great delay.

It is interesting to note that one case which had been pending for over 5 years, another that had been pending over 3 years, decisions were rendered, I think, about the 28th day of May, or thereabouts, and about the time the Committee on Interstate and Foreign Commerce was ready to report out this resolution.

I think this legislation is absolutely necessary. No one is more interested in the consuming public than am I, and I want to emphatically say to the membership of this House that, if I thought this bill would raise the rates of gas to the consumers of this country to any appreciable extent or would hurt the consumers, I would not be for this bill.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. JENNINGS. The purpose of the bill, as I understand it, is to get gas to the consumers?

Mr. RIZLEY. That is it exactly. The Federal Power Commission says something ought to be done. They released some reports, after we introduced this legislation, stating that something ought to be done about it, but they said, "We

will correct it by administrative procedures. We do not need any further legislation." I think Congress should make the rules, not the FPC.

The SPEAKER. The time of the gentleman from Oklahoma has again expired.

Mr. SABATH. Mr. Speaker, there being no hearings obtainable on this bill, I must go upon the records that I have been able to find in the last few days.

I find that this bill was introduced on July 1, reported July 7, a rule granted July 9, and today, July 11, it is here before us, notwithstanding the fact that many bills in the interest of all the people are reposing in committee rooms. I venture to say, especially in view of the many questions that have been asked, that very few Members know the far-reaching effect of this bill.

I am pleased that the gentleman from Oklahoma [Mr. RIZLEY], whom I consider a very capable gentleman, has, to the best of his ability, presented this bill.

Mr. RIZLEY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Yes, I yield.

Mr. RIZLEY. I know my distinguished friend from Illinois wants to be fair about this thing. This particular bill, 4051, was actually introduced on July 1, but it is a bill that is the culmination of hearings on H. R. 2185 and two identical bills, one introduced by the gentleman from Tennessee [Mr. DAVIS] and one introduced by the gentleman from Ohio [Mr. CARSON], after extensive hearings, as the chairman has said, from April up until that time. After the committee had gone over the bill and taken out some things and put in some other things, and said, "Here is the pattern of a bill we want," then I introduced a clean bill. This bill, H. R. 4051, is that clean bill. I know the gentleman wants to be fair.

Mr. SABATH. I only know I could find no hearings. I was informed none had been printed. I am glad to know that, especially in view of the statement by the chairman of the committee, but I had no evidence and no information when the first bill was introduced or that hearings had been held. In fact, I had been urged by some citizens from my State to oppose the bill, because they did not obtain an opportunity to present their case and give their reasons against the adoption of this bill.

I will be perfectly candid. I cannot for the life of me explain the bill, because all I have been able to get is the report, and I just got that this morning. It is so printed that with my poor eyesight, though I searched to the best of my ability, I was unable to find anything that would help the consumer and the public in the bill. I know only the bill restricts the power of the Federal Power Commission.

I know that the Federal Power Commission has held hearings all over the United States for nearly 2 years and has expended a great deal of money. Before we act on this legislation I believe we should have the report of this Commission and its findings. I believe this membership should know what we are voting for and how far-reaching this bill is.

My colleague, of course, states that the increase in cost to the consumer will be only nominal. Oh, I have heard such things so often, so often. When they say "nominal" I know, of course, what that means to them. It will appear nominal, but to the consumer it will add additional cost to the already high cost of living. Somehow or other the bills that have been brought in here within the last few weeks have all added to the cost of living, whether it was the wool bill, the rent bill, the sugar bill, or now the gas bill.

I do not know whether you know it or not, but the fact is we have in this country a tremendous quantity of gas. I understand we have nearly 3,000,000,000 feet of natural gas. In that connection I ask the attention of the chairman of the committee, or of the proponent of this bill, does this bill not also apply to gas that will be produced from coal? The reason I ask this question is because 2 or 3 years ago upon the urgent plea of the gentleman from West Virginia, Mr. Randolph, this House, I think, appropriated about $40,000,000 for the purpose of constructing pilot plants for developing practical methods of making producer gas from the cheaper grades of coal. I want to know now whether this restriction upon the Commission will also control the restriction upon the price of gas that will be produced from the coal for the development of which we have expended $40,000,000, or at least, authorized that expenditure? It will inure to the benefit of producers and the operators of natural gas.

This law was originally passed in 1938. It was amended in 1942, and I do not understand that so far these gas companies have not lost any money; in fact, all have been prosperous—the same as all other industries. The only thing I have in mind is that I feel we should start some day to protect the consumer. The consumer is not desirous for this legislation. It is these companies which have done fairly well. Sure, there has been some litigation, there have been some disagreements, because the companies refused to comply with the rulings of the Federal Power Commission.

And then I say this: the Federal Power Commission is acting for the Government, for the protection of the American people. Their rulings do not inure in any way to the personal advantage or benefit of the Commissioners. As I understand the functions of the FPC, its duties are to safeguard the interests of the consumers, and to protect our natural resources, and make fair rules of competition. The power and jurisdiction we gave the Commisison in the original act is being whittled away by this bill, and its capacity to protect the consumer diluted. This of course is not particularly pleasing to the big pipe-line companies and retail sellers because the Commission has restrained them in their manipulations tending to increase the cost of gas in homes and to exploit the natural public resources of our Nation.

It is the sworn duty of the Commission to enforce the act in accordance with the law to the best interests of the public.

Let me say before I go further that I do not know a single member of that Commission, but naturally, having acted for all these years they must have been outstanding men.

They would not have been appointed if they did not have a reputation justifying their approval by the Senate of the United States. With all due deference to my friend from Oklahoma, and in view of the above, I hope when the bill comes up under the 5-minute rule that serious consideration will be given it. I am not going to oppose the rule because it would be useless and because I always believe the Members of the House should have the right to pass upon any bill reported by a legislative committee. This bill has been so reported and a rule on it has been granted by the Rules Committee. However, I feel that the bill goes too far. It deprives the commission of rights and powers that will cripple its activities so far as enforcing the law is concerned. I hope when the bill is being considered under the 5-minute rule that some gentlemen who are members of the committee, and other Members who know more about it and have had a greater opportunity to study and familiarize themselves with the bill, will act in the interest of our Nation and of the consumers so that we will not divest the commission of needed powers and give the gas companies complete and full opportunity to do as they please, as most of these companies apparently do in disregarding rates to consumers. The main object in their mind is how much money can we get out of the public? How much money can we make? How much profit can we make?

Mr. CARROLL. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Colorado.

Mr. CARROLL. I agree with the gentleman that this is a very important piece of legislation. One witness appearing before the committee made some very serious charges against the effect of this legislation. This witness, who is a lawyer, and vice chairman of the committee on gas and electric rates of the National Institute of Municipal Law, representing the United States conference of mayors, composed of over 200 cities, said that over a period of 9 years, as a result of existing law, consumers of this Nation have been saved approximately $150,000,000. I know that in Denver there has been litigation on this very question and the consumers of that city were repaid $4,000,000 by virtue of overcharges. The charge is made by this witness against the legislation—I do not say it is true, I say the charge is made, therefore merits consideration by every Member of this body—the charge is made that the proposed change will result in rates throughout the country being increased, with greater profits and it is stated:

> Undue profits will be enjoyed by pipeline and gas companies throughout the country.

If that charge is true, we should seriously consider this legislation instead of having it come out here and being passed with 24 hours' consideration, and I say 24 hours because the record of the testimony of the witnesses has only been available within the last 24 hours.

Mr. SABATH. I thank the gentleman from Colorado. I heard the same charges made by outstanding people in my State in whom I have confidence. I know that the mayors of our cities would not oppose this restriction of power of the Federal Power Commission if they thought it would be in the interest of the people whom they represent in the various localities and various cities.

I am interested in fair and square dealing and fair play, and I think this is again legislation that gives the natural-gas interests additional power, privileges, and opportunities to overcharge solely for the purpose of gaining additional profits.

Mr. Speaker, I yield back the balance of my time.

Mr. RIZLEY. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Speaker, the bill before us today, H. R. 4051, introduced by the gentleman from Oklahoma [Mr. RIZLEY] proposes to amend the Natural Gas Act so as to permit the natural gas industry to perform its proper function of providing gas to all markets where there is a demand for it.

I might say that I come from a district in western Pennsylvania that has been producing gas for many years. Last winter it was necessary for us to ration gas, the first time gas has been rationed to my knowledge. I am greatly interested as are my people and the industrial life of my district in serving an additional supply of gas to supplement the rapidly depleting gas supply available in western Pennsylvania. I think this proposed legislation will make a very fine contribution toward clearing up uncertainties and getting us the gas we need for industrial and domestic users.

Since many of my constituents are producers of natural gas, it is only natural that I am vitally interested in any legislation amending the Natural Gas Act, and because of that I want to urge my colleagues in the House to read the committee report and acquaint themselves with the Rizley bill. For I am certain that anyone fully understanding its provisions will vote to support it.

In passing the original Natural Gas Act Congress purposely wrote in the specific language exempting from Federal jurisdiction the production and gathering of natural gas. This was done because it was realized that the producing States had jurisdiction over these activities and would properly carry out their duty to properly administer that jurisdiction. Likewise, the regulation of local distributing companies was specifically denied in the act to the Federal Government, leaving that field to the States, as it should be. In other words, Congress intended that the Federal Power Commission, to which was entrusted the administration of the Natural Gas Act, should be restricted to jurisdiction over the transportation and rates of gas only from the inlet of the interstate trunk transmission line to the outlet of the interstate trunk transmission line.

The FPC, however, has sought to extend its jurisdiction both into the production and gathering field and into the local distributing field, and as a result there exists confusion in the natural gas industry.

Mr. RIZLEY's bill will eliminate this confusion, will make it unmistakably clear as to the extent of FPC jurisdiction.

Under present policy, also, the FPC contends that the value of gas as a commodity depends upon who owns the gas. It fixes one price for one owner, and another for another owner, despite the fact that the two owners produce gas in the same field. The bill, H. R. 4051, also will correct this inequity.

Enactment of the bill would, in my opinion, permit the industry to function in the best public interest, would place the royalty owner and producer as well as the local distributing company under undisputed regulation of the State agencies where such regulation belongs, would result in making markets available for the huge reserves of natural gas, and would assure to the consumers in nonproducing States plentiful and continuous supplies of this fuel.

I trust that H. R. 4051 will be overwhelmingly approved.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. WOLVERTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4051) to amend the Natural Gas Act approved June 21, 1938, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4051, with Mr. CLASON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WOLVERTON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the bill (H. R. 4051) proposes amendments to the Natural Gas Act to redefine the area of jurisdiction of the Federal Power Commission over the interstate gas pipe line industry. It is the result of extensive hearings and deliberations by our committee on several bills introduced to ameliorate the problems arising from the Commission's administration of the act and the interpretation placed on the act by the Commission and by the courts.

Recognition of the existence of these problems is not of immediate origin. In 1944 the Commission itself undertook a general investigation into the natural-gas industry for the purpose of examining into and reappraising the statute and the Commission's policies and procedures thereunder. The investigation has been completed, and the Commission is in process of issuing staff reports for comment and guidance.

This investigation and the data presented at the committee hearings have pointed up the need for clarifying legislation. The decision of the Supreme Court several weeks ago in the matter of the Interstate Natural Gas case, however, has sharply brought into focus the need for early legislation. This case deals with the all-important exclusion of Federal Power Commission jurisdiction over the production and gathering of natural gas, thought to have been provided by section 1 (b) of the original act.

There can be little question that there was any doubt in the minds of the Congress when in 1938 it passed the original act that it intended to exert and to delegate to the Commission jurisdiction in interstate commerce only over areas not then effectively controlled by State regulation, and that assumedly production and gathering operations were then so controlled and regulated. By a series of court decisions the Commission jurisdiction seemingly has been extended into these operations with resulting confusion in the industry as to what was or might become subject to Federal jurisdiction. Inasmuch as much natural gas is a concurrent product of the output of oil, the oil industry also was vitally concerned over the interpretation placed upon the jurisdiction over production and gathering. Testimony was advanced at the hearings to the effect that a substantial amount of the gas now being flared as part of the some one billion cubic feet of gas wasted daily to the air, might be conserved and collected for pipe-line transportation were the oil industry to be relieved of the fear that in so doing it might be placing the production of oil under the jurisdiction of the Commission.

The Commission asserted at the committee hearings that it had no intention of regulating the oil industry, and stated that it felt the ambiguity and confusion existing from the circuit court decision in the Interstate case would be cleared up by the Supreme Court so that there could be no doubt about the circumscribed jurisdiction. That decision of the Supreme Court was rendered on June 16. It seems to me clear that the Supreme Court in nowise settled the question that under the Natural Gas Act, Federal Commission regulation could not extend clear back to the well itself. Legislation, therefore, seems imperative to clarify the original intent, namely that production and gathering of natural gas were to be exempt hereunder from Federal regulation.

During the course of the committee hearings witnesses representing cities, State commissions, and the National Association of Railroad and Utilities Commissioners, as well as others, alluded to the character of service offered, especially in times of cold weather, and the desirability of some protection to existing customers which it was believed could not be assured solely by State or local regulatory authority.

The bill adds a new subsection to section 7 of the act, making it the duty of every natural gas company furnishing gas to a distributing company for resale to the public to furnish service which is

reasonable, and gives the Commission authority to enforce this requirement. This subsection reads:

(h) It shall be the duty of every natural gas company furnishing natural gas directly or indirectly to any distributing company for distribution and resale to the public as a public utility service to furnish and supply service which is reasonable, having regard to the public utility character thereof, and to the duty of such distributing company to supply reasonable service to its customers. The Commission shall have power upon complaint or upon its own motion, after notice and opportunity for hearing, by order to require any natural gas company to perform its obligations under this subsection and to install and maintain such service instrumentalities as shall be reasonably necessary for that purpose.

It seems to me that this amendment, originally advanced by the Illinois Commerce Commission is of great significance and will prove of much usefulness in assuring the continuity of service which all too frequently unfortunately has been unavailable during recent times of peak demand.

In the short time allotted for general debate it is impossible for me to make reference in detail to other provisions of the bill. However, the remarks of the gentleman from Oklahoma [Mr. RIZLEY], and the others who have already spoken when the rule was under consideration, together with those who will follow me will be sufficient to cover in an appropriate way, the other features of the bill.

Mr. HARRIS. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, I recognize that we are dealing with a very highly technical question this afternoon. I recognize that because of the technicalities involved in legislation of this kind it is very easy to confuse the issue. Certainly, there have been some interested in this legislation over a period of weeks who have endeavored to confuse the issue to the extent that it has some people worried. This proposed bill is, after all, very simple. I hope I can clear up some of the confusion in your minds. In explanation I should first give you a little history of the Natural Gas Act, the need for this legislation due to the attitude of the Federal Power Commission, their actions and assumption of jurisdiction which was never intended by Congress, but sustained by a sharply divided Supreme Court, and then just what the proposed bill is intended to do to correct such abuses. Mr. Chairman, when we take the position that a governmental agency, or anyone else dealing with a problem so highly controversial, so highly important and technical as this, is infallible, I think we are treading on dangerous ground.

The Natural Gas Act, approved June 21, 1938, conferred upon the Federal Power Commission responsibility for regulating the wholesale rates, accounting practices, and certain operations of natural gas companies engaged in interstate commerce. The act was proposed as a result of the Federal Trade Commission survey, made pursuant to joint resolution—Senate Resolution 83, Seventieth Congress, first session, February 15, 1928, extended by Senate Joint Resolution 115, Seventy-third Congress, second session, 1934—and supported by resolutions of the National Association of Railroad and Utility Commissioners, to meet a situation arising out of the fact that interstate transmission and sale of natural gas were beyond the scope of effective State regulation. It was designed to cover the interstate transportation of gas from the State of origin—where State regulation covered the local production, gathering and sale of gas by pipe line to another State—and the subsequent sale of the gas to local distributors in that State, where the State regulation covered the local distribution to ultimate customers.

It was the purpose of the act to fill in this gap in State regulation, and the Federal Power Commission was presumedly confined by the act to meeting the need for regulation in this area. It is the purpose of this bill, H. R. 4051, to correct the abuses of the act occasioned by the Federal Power Commission improperly extending its jurisdiction backward into production and gathering and forward into local distribution.

The major abuses by the Commission of its authority proposed to be corrected by this bill are threefold, two in the area of production, and one in the area of distribution. I propose to discuss briefly the situation surrounding each, and the manner in which the bill operates to cure each.

The first relates to the exclusion from Commission jurisdiction of the production and gathering of natural gas, which it was thought was fairly clearly indicated in the language employed in section 1 (b) of the act. Explicit as this language is, nevertheless the Commission by a strange mental tour d'force in applying the provisions of sections 4 and 5 arrived at the conclusion that while the physical activity of production and gathering might be exempt, the sale resulting therefore was not. In this conclusion it was abetted by the Supreme Court which in the Canadian River Gas case—Three Hundred and Twenty-fourth United States Reports at pages 602, 603, 1945—said:

We must read section 1 (b) in the context of the whole act. It must be reconciled with the normal conventions of rate-making.

That does not mean that the part of section 1 (b) which provides that the act shall not apply to "the production or gathering of natural gas" is given no meaning. Certainly that provision precludes the Commission from any control over the activity of producing or gathering natural gas. For example, it makes plain that the Commission has no control over the drilling and spacing of wells and the like. It may put other limitations on the Commission. We only decide that it does not preclude the Commission from reflecting the production and gathering facilities of a natural gas company in the rate base and determining the expenses incident thereto for the purposes of determining the reasonableness of rates subject to its jurisdiction.

Obviously, regardless of the usefulness of the position that drilling and spacing of wells may be exempt, there is no basic exemption afforded if the Commission in its rate-making powers can enter into the financial side of these operations. The confusion attending this five-man decision was not alleviated by the strong words of the four-man dissent:

Even though production and gathering could be thought to be a part of the regulated transportation and sale, that possibility is precluded by the words of section 1 (b), which say: "The provisions of this act (including those of sections 4 and 5, which prescribe rate making for the activity of transporting and selling wholesale) shall not apply" to another activity, "the production of gathering of natural gas."

It does not seem possible to say in plainer or more unmistakable language that the one activity, interstate transportation and sale, is to be subjected to, and that the other, production or gathering, is to be excluded from, the valuation and rate-making powers of the Commission.

While these decisions may be said to have applied to the facilities owned by a natural-gas company itself, the oil industry naturally was concerned as to the applicability to facilities owned by others and examination of the expenses of producing gas supplemental to the production of oil. When this was one of the matters set down for investigation by the Commission in its natural-gas survey, the oil industry sought and received from the Commission assurances that the Commission had no thought of intruding into this area.

Thus, on December 30, 1944, former Chairman Basil Manly advised the representatives of the gas-producing States, through a letter to then Gov. Andrew F. Schoeppel, of Kansas, as chairman of the Interstate Oil Compact Commission, that—

The Federal Power Commission has no desire to extend its jurisdiction to cover the production of natural gas or otherwise invade what are properly regarded as the functions of the conservation authorities of the several States.

And again, on July 21, 1945, Chairman Manly wrote to Mr. William R. Boyd, Jr., then chairman of the Petroleum Industry War Council, that—

It seems desirable therefore to declare in unequivocal language that the Commission has no desire or intent to extend its jurisdiction as regards either oil production or petroleum pipe lines.

Nevertheless the fears which Chairman Manly sought to allay were recreated by the Commission in the Interstate Natural Gas case. Here, despite what the Commission had advanced as its intention, in the argument in the lower court, Commission counsel had an opportunity in response to a direct question from the bench effectively to clear up the Commission's position, and did not do so. The court decision—fifth circuit—in August 1946 served but to indicate that the Commission's jurisdiction went to the well itself.

Thus when the Commission's staff report this spring referred to the confusion existing as to the Commission's intent and the interpretation of the jurisdiction it has over production and gathering, and the need to settle the problem, and suggested that this might be cleared up by administrative rule, the industry naturally was in no position to accept the rule as being an expression which

would stay fixed for any length of time. The power to make a rule admits of the power to abrogate the rule.

Chairman Smith indicated that if the rule were not sufficient to settle all doubts that the Commission had no jurisdiction, the Supreme Court decision in the Interstate case might well do so. He urged the committee to defer action on the pending legislation until the opinion had been rendered.

This opinion was rendered on June 16. It held that the Commission had not exceeded its authority under section 1 (b) in regulating sales made in the field. It certainly does not clarify the question of the Commission's inability to reach to the well where the gas subsequently moves in interstate commerce. Legislation accordingly seems imperative. Chairman Smith in letters to the committee of June 23, and July 1, for that matter, indicates concurrence with such need.

The amendments to section 1 (b) and additional definitions in section 2 proposed by the bill, accordingly amplify the language defining production and gathering, and also apply to the sale of the gas from the redefined production and gathering facilities.

By this amendment all fear should be removed from independent gas and oil producers that sale of their gas to pipe lines for transmission in interstate commerce which subject them to Commission regulation. This should be a tremendous incentive to the conserving and collecting of gas now being flared and wasted because of the understandable desire to avoid this Federal regulation and the attendant requirements. Larger sources of gas thus are available for meeting the ever-increasing demands not now adequately served.

The second extension of Federal Power Commission authority is related to the first. It concerns the treatment given by the Commission to the gas produced by natural-gas companies from their own reserves.

The Commission in establishing rates at wholesale with the attendant consideration of the rate base, proper costs and expenses, and rate of return to be allowed, has included in costs at the purchase price gas purchased from others. But where a natural-gas company produces gas from its own holdings, the Commission has considered only the costs of such production, and included in costs the proven leases and reserve at their historical-cost value.

In the Colorado Interstate Gas case, Chief Justice Stone has described the results as follows:

> In fixing rates for petitioner's interstate business of transporting and selling natural gas for resale, the Commission included petitioner's gas wells and gas-gathering facilities together with all its transportation and distribution facilities in a single-rate base. It valued the wells and gathering facilities at their prudent investment cost of many years ago, a valuation drastically less than their present market value. It then restricted petitioner's return to 6½ percent of the rate base, including the wells and production facilities, constituting approximately two-thirds of the total rate base. It thus subjected petitioner's production and gathering property to the same regulation as that which the statute imposes upon petitioner's property used and useful in the interstate transportation and sale of gas for resale. This, we think, the Natural Gas Act in plain terms prohibits (324 U. S. 616).

The results that are the consequences of this Federal Power Commission practice are further demonstrated by the fact that in some instances orders of the Federal Power Commission result in three different prices for gas from the same well. This arises where the regulated pipe-line company is a part owner, an unregulated company is a part owner and the landowner has a royalty share. The pipe-line company is allowed as operating expenses an unregulated contract price for its co-owner's share and the royalty owner's share, but for its own share it is allowed an amount determined by application of the public-utility-rate-base method. As Mr. Justice Jackson stated, this "does not make sense to me."

The important element here involved is the Commission's insistence in taking as the rate base a value determined only as the original investment cost. There is nothing in the act itself which requires the Commission to confine its consideration to original investment costs alone. The Commission is enjoined only to determine a just and reasonable rate. And the Commission is authorized in so doing to ascertain and investigate the actual legitimate cost of the property of every natural-gas company, the depreciation therein, and, when found necessary for rate-making purposes, other facts which bear on the determination of such cost of depreciation and the fair value of such property.

The Commission's use of original cost as the rate base stems from the Hope Natural Gas case. That opinion laid down the principle that—

> Under the statutory standard of "just and reasonable" it is the result reached not the method employed which is controlling. * * * It is not theory but the impact of the rate order which counts. If the total effect of the rate order cannot be said to be unjust and unreasonable, judicial inquiry under the act is at an end. The fact that the method employed to reach that result may contain infirmities is not then important (320 U. S. 591, 1944).

The Commission in determining the rate base had used the original cost only, and not given weight to other factors has outlined in the old case of Smyth against Ames, following which for many years principal weight was given to cost of reproduction.

But it is important to note that the Hope case dealt with a company operating in an old and almost exhausted field, the Appalachian, where costs of production and the accumulated developmental costs were high. It might be argued, and the Commission has intimated that it has not yet made up its mind on the subject, that as to fields where the current market value of reserves was so much in excess of original cost, that the Commission might give consideration to other elements than the original cost alone.

Here again, however, the administration of the Commission, and the utterances of its representatives gives no assurance that this will happen. Indeed, the contrary seems certain. No longer ago than this very week a representative of the Commission, in testifying on some power bills before the committee, has said in regard to the Commission's purpose and the Hope case:

> The Federal Power Act * * * did not bind the Commission to any particular rate-making formula * * * the Commission concluded that it would have nothing to do with fair value unless compelled by the courts, but instead would base rates upon net investment.
>
> * * * When the Natural Gas Act was passed * * * the law was patterned after the Federal Power Act as far as rate making was concerned and the Commission adhered to its resolution to have no traffic with fair value. * * * The Commission was sustained in its use of the investment-rate base in the Hope case. The fetters which had bound regulatory agencies for many years were unloosed.

This does not sound as though the Commission had yet an open mind as to the various factors to be employed in determining an appropriate rate base for use in arriving at just and reasonable rates. Far from it. Given statutes which were silent as to standards to be used, this representative states the Commission deliberately set about to pursue a definite policy until it should be restrained by the courts.

The provisions of section 5 of the bill (H. R. 4051) prescribe a formula or standard which the Commission will be required to follow in rate-base determinations. The formula will provide the incentive for pipe-line companies to pay prices adequate to stimulate conservation and production of gas so badly needed to meet consumer demands. It provides this incentive by assuring the pipe line full reimbursement for all bona fide purchase of gas. This section is a necessary supplement to the exemption in amended section 1 (b) of the act whereby the Federal Power Commission is completely denied jurisdiction over the entire activity of producing and gathering natural gas, including the field sales thereof. Since the Commission is completely excluded from the activity of producing and gathering, it is necessary to set forth the precise manner in which it is to treat the operating expense incurred by the pipe line in purchasing gas from nonaffiliated companies or in producing its own gas either through the parent company or affiliates. Section 5 proposes to do two things.

First. Section 5 provides that with respect to gas which is purchased from producers in noway affiliated with the pipe-line company the Federal Power Commission shall allow as an operating expense the actual prices paid. The actual price paid will, of course, be determined by actual and free competition as it is likewise established with respect to all other commodities in a system of uncontrolled free enterprise. This provision merely recognizes that free competition should be the determinant of the sale price of gas and not the Federal

Power Commission. It is important to observe, however, that the consumer and the public in general are amply protected under this provision since the Power Commission has ample authority to refuse to allow as an operating expense any unconscionably high price which is not the result of a bona fide transaction.

Second. Section 5 further provides that if the pipe-line company acquires gas from its own producing properties or purchases the gas from a subsidiary or an affiliate the prevailing market price in the field where produced for gas of comparable quality, volume, and pressure, shall be allowed as an operating expense. The prevailing market price again is established by open competition among all producers within the field. This provides a precise formula which the Commission should have little difficulty in applying. The term "market price" is a term having a well-defined legal meaning. The provision, therefore, not only is definite but is founded upon a sound and reasonable predicate.

If the pipe-line company or its affiliate is the only purchaser within a given field and as a result there is no prevailing market price in that field, then section 5 provides that the Commission shall allow as an operating expense the fair and reasonable value of such gas. This, likewise, is a precise formula and one that will present no difficulty in application. If there is no market value established in the field by competing interests then the Commission is required to determine the fair or reasonable value of the gas just as the fair value of other commodities is legally determined. The Commission is given adequate leeway in determining the value of such gas, and by the specific language of this provision is authorized to consider all pertinent factors in determining fair and reasonable values.

This is no new or novel formula. In setting up the field or market price of gas as the cost of gas which the Commission shall use in connection with the establishment of rates and a return on the natural-gas line, the bill is only following what has been well recognized in law as pertinent in the case of extractive and wasting industries.

It was clearly recognized in the Renegotiation Act relating to the recapture of excessive profits under wartime munitions contracts, that there was a difference in the treatment of profits from the production of a wasting asset and from other production. This led to the exemption from renegotiation of raw materials until they had reached a certain stage in the production process. In an integrated operation, like steel production, the raw materials or iron ore and coal were exempt through the pig-iron stage, and the pig iron utilized in steel production was not taken into the costs used in renegotiation at the cost of production of pig iron, but at a substituted "market" price of the pig iron. Only in such way was it deemed that proper consideration could be given to the owners of the extracted raw materials. Certainly the exploration, development, and consumption of natural gas stands in no different stead. For the Federal Power Commission to employ actual costs rather than the prevailing market values, is clear discrimination.

In addition, provision has been made in the section for the varying situations in the gas fields. Conditions relating to wells belonging to some of the natural-gas companies holding leases in the Appalachian area differ materially from those relating to wells of natural-gas companies holding leases in the southwestern areas.

The companies operating in the Appalachian area have, during the war, been required to pull their wells heavily in order to meet war requirements. This has resulted in lowered productive capacities of the wells.

In that area it is necessary to provide for sudden temperature drops during the winter when demands for gas suddenly increase. In order to cope with this situation, some of the companies in the area have adopted the practice of purchasing throughout the year from other gas producers, but pinching back their own wells, and even for considerable periods closing them in so they may build up pressure and availability for use during peak winter days when demands suddenly increase.

Under such circumstances the producing properties constitute, in effect, a storage operation. Under these circumstances there is a service as well as a commodity value involved, and it is not inappropriate to use the rate base for determining the allowance to be made such a company for the gas produced under such circumstances.

It is provided, therefore, that a company may make an election within 90 days for its producing properties to be included in its rate base. The proviso is in that form so it will be a general law. The election when once made is final, not only as to leases now owned but those hereafter acquired.

The last major amendment contained in the bill to which I wish to speak is that relating to the Commission's extension of authority into the field of local distribution.

This has arisen where a local distributing company itself has constructed and owned the connection with the interstate transmission company. In one case the Commission has attempted to exercise jurisdiction, where the line is fully regulated by the local State Commission, at a cost asserted to represent some $2,000,000 to the company for the duplicate information and study regarding construction, investment, and operation. Further testimony was offered to the effect that in many other cases local distributing companies desired to connect with the interstate company and thus provide for their own customers the natural gas thus connected, but were deterred from making such connection through the real threat that they thus would become subject to the Federal Power Commission in matters of rates, accounts, and the like, and incur the duplicate regulation resulting from State and Federal control.

New subsections have been added to section 2 defining the type of interstate commerce subject to the jurisdiction of the Commission, and making it plain that interstate commerce ends when the gas moves in the State of local distribution from the trunk transmission facilities of the interstate carrier into the local distribution or trunk transmission facilities of the company selling the gas in local distribution.

Section 7 of the Rizley bill provides for the operation of a common carrier gas pipe line under the supervision of the Interstate Commerce Commission.

It is obvious that it would not be wise for a natural gas pipe line company serving distributing utility companies to act as a common carrier. There must at all times be gas available for the general public. It is not possible to store gas, and the rendering of a common-carrier service might result in depriving utilities serving the general public of gas at the most important times.

It is believed, however, that there is an appropriate field for common-carrier lines. In the near future, for example, they would be of service in transporting gas across State lines for utilization in Fischer Tropsch and similar plants. Also, when gasification of coal is accomplished, such a line would be well adapted to the transportation of gas from coal-producing areas to highly industrial sections in the Eastern States.

It is to be noted that such a line must operate as a common carrier only, and make no sales from its line.

Jurisdiction over such a line is placed under the Interstate Commerce Commission. The functions of such a line are comparable to those of a common carrier line transporting oil and other petroleum products, and such lines are operating satisfactorily under the jurisdiction of that Commission.

This provision does not transfer any jurisdiction from the Federal Power Commission since there is no natural-gas company operating as a common carrier. The Interstate Commerce Commission is from training and experience properly equipped to deal with companies having a common-carrier status, while the Federal Power Commission has had no experience with companies performing such a service.

Mr. Chairman, I would like to ask my colleagues, in order that I may explain further just what is proposed here, to get a copy of the report. Before I proceed further let me say that this is an exceptionally fine report. I want to compliment the gentleman from Ohio [Mr. CARSON] for preparing this report and giving the Members of the House the explanation and information contained therein.

Remember, as I have explained, this bill proposes to do two primary things: First, to clearly define the limits of the authority of the Federal Power Commission so that the industry may know where it is; second, it tends to establish a formula for rate making that the Commission shall follow in determining what costs shall be allowed to the transportation industry of gas in interstate commerce. Turn, if you please, to page 4 of the report. I think I can explain to you some of the problems in layman's language and with the use of the chart that are involved in this controversy.

You will find in the chart labeled "Functions employed in producing, transporting and distributing natural gas." The interstate trunk line is that big double irregular line in the center. To the left you will see three of those lines running out to little dots that represent a gas field. On the other end you have the lines running out to distributors. When the Natural Gas Act was passed in 1938 it was understood that it was the intention of Congress that the jurisdiction of the Federal Power Commission should begin at the inlet of the trunk line in interstate commerce where the gathering from production terminates and the gas goes into the trunk line, and end at the other end of the trunk line where it goes into the distributor line or facilities for resale to the consumer.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. HARRIS. Mr. Chairman, I yield myself three additional minutes.

Again there was no intention, so far as the history reveals, that the Federal Power Commission had any jurisdiction whatsoever beyond those points. Under the Interstate opinion referred to and delivered June 16, 1947, the Supreme Court said the Federal Power Commission had the authority in determining rates to go on back into the field, into the well and determine the allowable cost of that transportation company in its transportation of gas, which will mean, of course, that it controls the field processes, that it controls production, that it controls gathering. On the other end you will notice to distributor A the trunk line runs right up to the city. It said that is where the jurisdiction stops and, therefore, they do not assume any further jurisdiction.

Before you get there you see at the top distributor B. He has to go down a few miles to the main trunk line. He has to have a little line to take gas out of the main trunk line up to his town in order that he may serve the consumers of the town. The Federal Power Commission says that because he has to have a little line to go back to the main trunk line to take the gas up to his consumers that he comes within the authority and jurisdiction of the Commission. That puts him—the distributor—in interstate commerce. Consequently, in his case the Commission controls it right to the burner tips.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. GAVIN. In that event they would be usurping the public utilities commissions of the various States which are there for the specific purpose of establishing rates to the domestic consumers.

Mr. HARRIS. Yes; there would be under such circumstances overlapping jurisdictions and the company then would be subject to the authority of both the local jurisdiction and the Federal Power Commission.

Mr. GAVIN. And there would be confusion without getting gas?

Mr. HARRIS. Very definitely. That is simply the purpose of this act here. It is to clarify that situation so the Federal Power Commission will stay within the limitations intended back in 1938 when the Congress passed the act. They have abused that authority time after time.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WOLVERTON. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.].

Mr. HUGH D. SCOTT, JR. Mr. Chairman, the basic issue here, it seems to me, is a question of clarification by amendment or by administrative ruling since the industry itself feels, and the staff of the Federal Power Commission has admitted in a report on section 1 (b) of the Natural Gas Act, page 40, under date of March 1947, that there is need for "appropriate action to relieve the doubt and fears now prevailing." The need for correction, it seems to me, is not questioned either by the staff of the Commission or the industry. The question is merely the method to be used, and there are two. One is to amend the act by the Congress or by change in the administration of the act accomplished by the adoption of an administrative rule by the Federal Power Commission. I cannot quite share the complete confidence expressed by the gentleman from Illinois in any Federal agency just because it is a Federal agency and because the members have been named and confirmed. I do not like law handed down by interpretation or by administration. I think when there is a substantial doubt as to what is coming next, as there is in this case, we better say by statute precisely what we mean.

The problem arises largely from encroachment by the Federal Power Commission into the field of production and gathering, and although the act expressly provides that it "shall not apply to the production or gathering of natural gas"—Natural Gas Act of 1938, Public Law No. 688, Seventy-fifth Congress, section 1 (b)—the record is replete with successful efforts of the Commission in encroaching into this forbidden field.

First. The Commission took jurisdiction over the producing properties and gathering facilities of an interstate trunk line—pipe line—transporter and subjected these properties and facilities to public-utility regulation. Although these producing and gathering properties obviously have no semblance of a public utility, they are regulated as such by the Commission—*Federal Power Commission* v. *Hope Natural Gas Company* (320 U. S. 589).

Second. The Commission next took jurisdiction over the producing properties and facilities of an affiliate of a trunk-line transporter and subjected them to public-utility regulation—*Colorado Interstate Gas Co.* v. *Federal Power Commission* (324 U. S. 581).

Third. The Commission has more recently taken jurisdiction over the sale price of natural gas of a nonaffiliated producer and gatherer—*Interstate Natural Gas Co.* v. *Federal Power Commission* (56 F. (2d) 949).

Thus, we here have a progressive series of steps taken by the Commission in extending its jurisdiction into the production and gathering phase of the industry despite the express prohibition in the act to the contrary. It is this improper extension of jurisdiction by the Commission that has given rise to the fears, uncertainties, anxieties, and confusion on the part of producers and gatherers. They are apprehensive lest they also be controlled by the Commission and treated as a public utility. As a result, producers and gatherers are refusing to sell their gas to interstate transporters, thus depriving consumers of a needed supply of gas and the producers of the right to sell their product in a free market.

The provision in the act which exempts production and gathering from the jurisdiction of the Commission is a total exemption and is not qualified or limited in any manner. It exempts the business of production and gathering. The proposal of the staff—Staff report, supra, page 41—for a clarification by administrative rule treats the exemption as if it were partial and not a total exemption. The suggested administrative rule would exempt those who "only produce, gather, or process natural gas"—Staff report, supra, page 41—it would not exempt the producing and gathering activities of interstate trunk-line companies. Under this proposed rule, the Commission would continue to apply to producing and gathering properties the public-utility method of regulation based on persons as distinguished from activities. The Commission would thereby regulate a portion of the activity of producing and gathering, thus rigidly fixing by administrative fiat the economic common denominator of the industry to which the remainder of the industry although not regulated, would have to adjust itself.

When an interstate trunk-line company purchases gas from a producer, it is allowed as an operating expense the purchase price thereof, commonly referred to as the "field price." However, when it produces its own gas, it is not allowed as an operating expense the going field price for such gas, but the Commission includes these producing and gathering properties on a public-utility basis. This results in the companies receiving a price for their gas which varies from the field price down to zero. Under this method of treatment by the Commission, the result is reached whereby different prices are allowed for the same product depending upon who owns it. This result is characterized by Justice Jackson of the United States Supreme Court as being "delirious," "fantastic," and "capricious." He also said that such a result "does not make sense to me"—*Colorado Interstate Gas Co.* v. *Federal Power Commission et al.* (324 U. S. 581). H. R. 4051 would eliminate these absurd results by permitting the interstate trunk-line companies to receive the going field price for all gas, whether produced by them or purchased from other sources.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. HUGH D. SCOTT, JR. I yield to the gentleman from Maryland.

Mr. MILLER of Maryland. Is it not a fact that, under that ruling that Justice Jackson is referring to, it has gotten to the point where, because of technical rulings, they charge different prices for

the same gas that comes out of the same well if it happens to be under joint ownership or more than one party in interest in the well?

Mr. HUGH D. SCOTT, JR. That is my understanding. Precisely that result can be arrived at under the circumstances the gentleman has mentioned.

Mr. MILLER of Maryland. Even though it comes right from the very same source. It just depends on who owns it.

Mr. HUGH D. SCOTT, JR. That is right; and it is similar to other impossible conclusions which are arrived at when you have a legislative situation such as we have in this case, complicated by the type of administration from which industry so often suffers and continues to suffer.

Mr. MILLER of Maryland. And this present act will cure that situation, as I understand?

Mr. HUGH D. SCOTT, JR. I understand it will. That is my belief.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. HUGH D. SCOTT, JR. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. Will the gentleman please turn to page 4 of the report showing a diagram of interstate trunk pipe lines. What I want to know is this: We will say, for example, at Y there are two pipe lines going through my district. So far our people have not been able to tap these pipe lines, and avail themselves of this gas. As the law has been interpreted by the Federal Power Commission, on the line that goes out from Y to city B for distribution of gas to the people in that city, the rates are fixed by the Federal Power Commission. They have control over those rates; is that right?

Mr. HUGH D. SCOTT, JR. I would think so; yes.

Mr. ZIMMERMAN. And the Commission in the State that deals with the matter of making rates would not have control as they have over other utilities; is that right?

Mr. HUGH D. SCOTT, JR. That is one of the matters which we are anxious to clarify.

Mr. ZIMMERMAN. Now, then, this bill would place the fixing of rates, the price of gas in that city, in the State Public Utility Commission; is that correct?

Mr. HUGH D. SCOTT, JR. I so understand. If I am in error, I hope the author of the bill, who is present, will correct me, but that is my understanding.

Mr. ZIMMERMAN. One of the reasons these companies refuse to go on making these improvements is that they do not want to get under dual authority, the Federal Power Commission in Washington and the State public service commission, which likewise fixes rates. That would create confusion. For that reason, our people are not getting gas where they could get it and where they need it very badly. Is that one of the things the gentleman says this bill will do?

Mr. HUGH D. SCOTT, JR. I believe the gentleman is right on that.

Mr. ZIMMERMAN. I want to make that clear.

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Chairman, I agree with the gentleman from Oklahoma who offers the bill and with the majority of the members of the committee that some legislation is needed at this time to clarify the Natural Gas Act, to make certain that the Federal Power Commission does not have jurisdiction over the production and gathering of natural gas, particularly by independent operators.

I attended these hearings and listened to most of the testimony before the Committee on Interstate and Foreign Commerce when this bill was being heard. We had a very heavy volume of testimony. It is my feeling at this time, because of certain circumstances, that the Rizley bill now pending, as reported by the committee, covers too wide a field, and that we should have at this time some simple legislation clarifying that one particular phase of the act, and should wait until after the Federal Power Commission has completed the investigation under Docket G-580, a very comprehensive investigation that has been going on for some time, before we attempt to go as far as I believe this bill does go in attacking some of the more complex problems in the gas industry and in the transportation and regulation of natural gas in interstate commerce.

I have prepared a very brief bill that I believe would do all the Congress might be justified in doing at this time. I believe later, perhaps, some of the provisions in the Rizley bill should be enacted into law. I believe, however, before that is done we should have more complete information on the effect of some of the provisions in this bill. I believe we can get that information when the Federal Power Commission has completed the investigation now under way and has submitted the result of that investigation to the industry and made a report to the Congress.

The bill I have prepared simply amends the Natural Gas Act by making it very clear that the Federal Power Commission does not have any jurisdiction over the independent production and gathering of natural gas. There are a few other paragraphs in it which are simply definitions. The word "production" is defined. The word "gathering" is defined, "transportation of natural gas" is defined, and "sale at arms length" is defined.

Mr. Chairman, I have been just a little disturbed by what I consider to be rather far-reaching provisions of the bill now before us. I wish to cite one instance. We find in section 1 (c) of the Rizley bill this language. I would direct my question here to the author of the bill. On page 2, line 17, we find this language:

> This limitation of jurisdiction shall control all other provisions of this act.

I have checked pretty carefully, and it seems to me that if we include that language, for instance, in this bill, we take away from the Federal Power Commission all jurisdiction over exports and imports of natural gas covered by section 3 of the original Natural Gas Act.

I wonder if the gentleman has looked into that. I would like to have his comment on that particular language in the bill.

Mr. RIZLEY. I will say to my distinguished friend from Tennessee that that question, of course, as you know, has been raised by the Federal Power Commission from time to time. I do not put that interpretation on it at all. Section C provides for a limitation to a certain specific part of the bill, and this language, "This limitation of jurisdiction shall control all other provisions of this act," certainly would, in my humble opinion, mean that we are striking out all of the controls that the Federal Power Commission has under the terms of the Natural Gas Act.

Mr. PRIEST. The limitation is here in that section—that this limitation shall control all other provisions of the act. It is my very sincere opinion, after reading section 3 of the act, which deals with transportation, that the export and importation certainly is covered by this limitation.

Mr. RIZLEY. I think my friend from Tennessee would be enlightened if he would return to the sectional analysis of the bill, which is found on page 11 of the report and which deals with the specific question that the gentleman raises. I will read it to the gentleman:

> The new subsection (c) is complementary to subsection (b), and provides that the jurisdiction of the Commission shall not extend to any transportation or sale or facility or operation to which, under subsection (b), the provisions of the act are not to apply. It is further declared that this limitation of jurisdiction shall control all other provisions of the act.

Mr. PRIEST. There is nothing in subsection (b), however, relating to export and import.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. HARRIS. The gentleman mentioned this matter to me a little while ago, and I made some inquiries about it. My information is that the procedure with reference to the exportation of natural gas is under an Executive order of the President of, I believe, 1942, by which he authorizes the Commission to make certain investigations and findings, and from that authority the companies which are interested in the exportation of gas may proceed to export gas.

Mr. PRIEST. At the same time, however, I might say to my colleague that section 3 of the act is that section specifically providing for the Commission's jurisdiction over exports and imports.

Mr. HARRIS. But, of course, if the President of the United States has permission to make certain findings, they are not likely to do that even though they might protect their jurisdiction in connection with this particular matter. However, I would have no objection that it be clarified so as to make certain.

Mr. PRIEST. I thank the gentleman. I referred to that simply to emphasize my feeling in the matter that perhaps we are getting into fields here which

have not been properly explored and that perhaps a simple act would do the job for the time being.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Texas.

Mr. RAYBURN. It was in 1935 that gas was covered in title III, I believe, of the Utility Holding Company Act. At that time I understood that act and I think I understood the act of 1938 pretty well, although I had retired from the committee then. To be entirely frank with the gentleman and with those who are handling this legislation, I have been trying to understand this bill, and I am still confused. I do not know whether the Commission should make a further study of this matter or whether the committee should make a further study of it. I do not know what this bill means, to be frank with you. I have listened to the distinguished gentleman from Oklahoma and the distinguished gentleman from Arkansas. I am still a little confused. But I am not confused about the substitute which I assume the gentleman is going to offer. I am not confused about what that means. I think we can all agree on that part of the bill, and allow us to study this so that some of us who have been following this thing so long and who are tremendously interested in anything that will rip up any major part of this bill, may not be passed. I want to vote for this bill, but I think we would be much wiser if we voted for that part of the bill that we do understand, that everyone can understand, and that will really give relief to these little well owners and take them out of interstate commerce, and see where they are. I am a little fearful of this bill and its implications, as far as I am capable of understanding them.

Mr. PRIEST. I appreciate the gentleman's remarks.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. HARRIS. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. CARROLL. I can understand my uncertainty about the bill if the minority leader, with all his great experience, is somewhat confused. The gentleman from Arkansas [Mr. HARRIS], in a very able presentation, said that the Federal Power Commission had exceeded its jurisdiction. That has been sustained by many court decisions, has it not?

Mr. PRIEST. Yes. I think that is true. However, I want to keep the Commission within its jurisdiction. I want to be certain that they do not exceed it. I am not here arguing for the Commission.

Mr. CARROLL. I am asking this question of the gentleman because he has followed the matter very closely. The second point that the gentleman from Arkansas [Mr. HARRIS] made was that this proposed legislation will change the formula, production, gathering, transportation, and distribution. If that formula is changed, will there not be a corresponding change in the gas rate to the consumers?

Mr. PRIEST. It is my personal opinion that there will be an increase. I do not know what effect sections 5 and 5½ in this bill may have upon the consumers. It is my opinion that it will result in higher rates. Perhaps some higher rates are justified. I am not an authority on that subject, but I think any fair-minded person will agree that there is quite likely to be an increase in rates to the consumers as a result of this legislation.

Mr. CARROLL. Can the gentleman inform us, is this litigation, all this litigation in the courts upon this contest, because of the Federal Power Commission exercising its authority to regulate rates to the consumer? Is that not the purpose of all this legislation which will be modified by this present act, if the Congress adopts it?

Mr. PRIEST. I think that cases in court and the decisions of the court have resulted in the desire for this legislation.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD just before the passage of House Joint Resolution 233 earlier this afternoon.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WOLVERTON. Mr. Chairman, I yield the remaining time to the gentleman from Ohio [Mr. CARSON].

The CHAIRMAN. The gentleman from Ohio is recognized for 11 minutes.

Mr. CARSON. Mr. Chairman, I am interested in two things in this bill. The first is the public convenience, and, second, the conservation of gas. It seems positively ridiculous to me to know and to learn that over 2,000,000,000 cubic feet of gas have been flared in the Southwest while we in the North and Northwest are freezing every winter.

It is a fact, and undisputed, that thousands of men in my district are out of work every winter because we do not have gas. That is one of the reasons I was so glad to join with my colleagues in introducing a similar bill, with the gentleman from Oklahoma [Mr. RIZLEY] and Senator MOORE. They introduced bills as producers. Senator FERGUSON of Michigan and I introduced similar bills as consumers.

Here is a fact that disturbes me, that we have to come to the floor of this House time and time again to tell someone the intent of this Congress. Somebody mentioned a few moment ago that the courts have upheld the Federal Power Commission. Even if they have upheld it, is that any reason why we should not once and for all clarify the congressional intent and eliminate this terrible confusion which has caused this nonproduction in the field? I want to bring that to the attention of this committee very forcibly by some of the language of the Chairman of the Federal Power Commission himself. We started hearings on this bill on April 14, and they continued for an entire week. We then gave the Federal Power Commission the 28th and 29th of May to come in. They had a month's time. They were before our committee on numerous occasions, but the substitute which the gentleman who just preceded me mentioned, did not come to our committee until July 1. I have not even seen it. I do not know what it is all about. But I do know what the intent of Congress was and I do know what the contention is, that people in the South and Southwest will no longer be subject to all this terrible confusion that is causing us not to get gas in the Midwest.

It is the effort of the Federal Power Commission to assert jurisdiction over the production and gathering of natural gas, and over local distribution, which the agency has done in contravention of the intent of Congress, that has the effect of denying or destroying a free and unrestricted market for natural gas where produced.

These continued administrative extensions of jurisdiction by the Federal Power Commission are having the effect of holding back and restraining field developments for gas. They will normally depress and interfere with the prices for which gas can be sold in the field.

Oil companies and producers of gas are becoming more reluctant to produce, save, gather, and deliver their gas to interstate pipe lines because they are fearful that the Federal Power Commission will subject them to the jurisdiction of that Commission and declare them to be natural-gas companies.

We had several governors—as a matter of fact, there are 33 different States interested in this matter. Governor Carlson, a former Member of the House, flew from Kansas and testified before the committee. Those governors who could not appear before the committee filed statements. Read the 700 pages of the hearings and you will see the interest and the terrible confusion that these people have because of the usurpation of power by the FPC.

The Natural Gas Act was passed in 1938, and it was only 6 months, or approximately so, before we had the Columbia case coming up. This was a case in which the Federal Power Commission asserted the right to regulate the price which a producer and gatherer of gas received from an interstate pipe-line company.

This assertion of jurisdiction over a mere producer and gatherer of gas was vigorously protested by the States of Kentucky and West Virginia and many of the oil companies. After almost 8 months of deliberation, a majority of the Commission reached the correct conclusion and asserted that they did not have jurisdiction over it.

State officials came before us and warned us that the reluctance of some gas producers to sell their gas for interstate marketing was interfering with the progress of conservation measures, and is a contributing factor to the continuous flaring of casing-head gas.

Almost without exception everyone who appeared so far manifested concern with respect to this matter and strongly urged clarifying the situation and setting

definitely at rest the doubts and uncertainties which now prevail.

Something was mentioned a few moments ago about the Illinois Commission of Commerce. An amendment, I think in section 6 of this bill, was made at the suggestion of the Illinois Commission of Commerce and was one of the best amendments in the bill. It will give these gas companies the opportunity to get gas to the distributors at all times, especially in the wintertime.

Now, if there is any question about this language, I wish somebody would interpret it for me different from what I find it in the act.

I want to refer to section 1 (b) of the Natural Gas Act and ask you if there is any dispute or doubt about this language:

(b) The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commerial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas.

That language seems very clear to me, but it was only 6 months after that we find the Federal Power Commission going in and attempting to usurp this authority.

I want to call your attention to how this hearing started or this investigation we heard about this afternoon. If you will turn to page 668 of the hearings, you will find this language in about the middle of the page, which was stated by Mr. Manly, who was then Chairman of the Federal Power Commission:

The Federal Power Commission has no desire to extend its jurisdiction to cover the production of natural gas or otherwise invade what are properly regarded as the functions of the conservation authorities of the several States.

Then, again, Chairman Manly, on July 21, 1945, same page, wrote:

It seems desirable, therefore, to declare in unequivocal language that the Commission has no desire or intent to extend its jurisdiction as regards either oil production or petroleum pipe lines.

That seems pretty clear to me. Let me go a little further. Much was said about the Interstate case. The Interstate case was a matter that came up in Louisiana along some of the same lines we are trying to avoid confusion in right now.

Mr. Smith, Chairman of the Federal Power Commission, laid a lot of stress upon this Interstate case. It was argued on May 2, and he said that decision in that case will soon be made.

The gentleman from Maine [Mr. HALE] asked a few questions which might be interesting. If you will look on page 693 of the hearings you will find the following questions:

Mr. HALE. I want to ask a question about this socalled Interstate Case that was argued on May 2, in which the Court will decide what the jurisdiction of the Commission was with respect to certain transactions in Louisiana.

Mr. SMITH. Yes, sir.

Mr. HALE. Do you expect that decision will come down before the summer recess?

Mr. Smith did not answer that question, neither could any one else. Mr. Smith said:

It might, or it might not, depending on how much difference of opinion there is in the Court. I have no way of answering that question.

Mr. HALE. Do you think that the construction which the Court puts on the act will be very illuminating to our committee in considering legislation?

That is another question that it is rather difficult to answer. Mr. Smith stated:

I most certainly do, because I do not think that, in view of the great significance that has been attached by the industry spokesman to that case which is still undecided by the Court, it can be fairly said that anybody knows for sure what the law is now, or, therefore, what your problem of amendment may be to effectuate whatever your purposes are.

The gentleman from Maine [Mr. HALE] pursued it a little bit further and stated:

Mr. HALE. If the Court sustains your exercise of jurisdiction you will say that the statute should not be amended?

Mr. Smith stated:

No, I would not go that far.

He further stated on page 194:

Mr. HALE. Do you think that if the Court goes what we might say was too far, in order to extend the jurisdiction of the Federal Power Commission to the gatherer then we might have to pass amendatory legislation, somewhat as we did in the portal-to-portal case, because the Court had gone too far?

Mr. SMITH. My answer to your question is yes.

Now, if you read the report which the committee filed in this case, you will find that the Interstate case has been decided and the Supreme Court has gone too far. They have not only gone to the end of the pipe line; they have gone to the bottom of the well. Which is only another reason why this bill should be passed.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HARRIS. Mr. Chairman, I yield the balance of my time to the gentleman from Texas [Mr. BECKWORTH].

Mr. BECKWORTH. Mr. Chairman, there were extensive hearings on this legislation. There is no question but what those who were and are interested in it, pro and con, were given an opportunity to be heard. That is one thing that we can always say about our Chairman. He does not believe in preventing anyone from having an opportunity to be heard who requests and desires so to do.

I was particularly impressed by the statement made by the oil and gas people of my own State of Texas. All of you know that Texas is a producing State. We produce much gas and much oil in that State. We feel that we have almost set a pattern as to wise methods of conservation in the State of Texas. I know that Colonel Thompson, the chairman of our Texas Railroad Commission, and a man who has had experience for nearly 20 years in the regulating of oil and gas, came before our committee and said that every effort is being made at present to conserve gas in Texas, and he mentioned the fact that no gas from gas wells is being wasted today, but he did not go so far as to say that gas from oil wells is not being wasted today. I have great confidence in what the States can do with reference to conservation, and I think Texas is one of the best examples there is. By no means do I mean to imply that other States have not done good jobs in conservation. Not only did Colonel Thompson indicate that this legislation is very greatly desirable and highly necessary at this time, not some time in the future, but many producers likewise indicated the same thing. They said that because of the situation today they feel uncertain in steps they probably would take in the way of conservation and utilization of gas. I know that they mean what they say when they say that. There are plenty of those producers, those people who go out and explore, that have ample resources to provide facilities conducive to further utilization and conservation of gas.

The gentleman from Tennessee [Mr. PRIEST] has offered another bill; a bill that he proposes to recommend as a substitute.

Section (b), beginning on line 5, page 1 of the bill, reads, in part, as follows, and I am not going to try to read all of it:

"The provisions of this act shall apply, to the extent hereinafter provided, to the transportation of natural gas in interstate commerce, to the sale in inte-state commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to its transportation between the well or wells where produced and the point of its delivery to or reception in the interstate trunk transmission facilities of a natural-gas company or to any sale thereof at or prior to such point of delivery or reception or to the production or gathering of natural gas, or to the producing, gathering, treating, or processing facilities utilized or operations conducted in handling or preparing such gas for delivery or reception at such point, or to the local distribution of natural gas or to local distribution facilities—

And so forth, down to the words "all as hereafter defined."

The first 5 lines define the positive jurisdictional power of the Commission and are practically the exact language of the present law. That is unquestioned. Of course, it is the present law with which fault is being found. This is the language the courts have said should prevail over the negative language, where the "but" begins, which is set forth following the positive provisions in the original Natural Gas Act. The negative provisions which constitute the restrictions on the jurisdiction of the Federal Power Commission conflict with the jurisdictional language first set forth. The language beginning with line 6 on page 2 is as follows:

To the sale of such gas at arm's length prior to its transportation in interstate commerce, all as hereinafter defined.

This is an important point, I feel. This gives to the Commission the responsibil-

ity for inquiring into and determining the facts in each sale. Thus is retained the power which has caused to some extent at least the presently existing confusion within the industry which leaves each operator in the same uncertain position of not knowing definitely whether he is subject to the jurisdiction of the Federal Power Commission and is, in fact, a natural-gas company. In other words, if his bill should be substituted, frankly, I fear we would be almost in the same position we are now.

I have a practical case in my own district. We think that one of the outstanding contributions of recent years in the gas industry has been made by the Chicago Corp. That corporation has a plant at Carthage, Tex. They had the ingenuity to undertake to obtain gasoline from gas, and they have built a good plant at Carthage, Tex., and are today successfully running it. That was made possible by venture capital. In this day when we want more opportunities for more people, it behooves us all to encourage the utilization of venture capital. But this company has had difficulty. It has had its trials and its tribulations. Mr. Richard Wagner wrote me this letter on June 3, 1947. He says:

As you doubtless know, the Federal Power Commission advised us that before the hearings were resumed on the Rizley bill they were going to issue an order the next day finding us to be clear of any of the provisions of the Natural Gas Act.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That subsection (b) of section 1 of the Natural Gas Act, approved June 21, 1938, is amended to read as follows:

"(b) The provisions of this act shall apply, to the extent hereinafter provided, to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to its transportation between the well or wells where produced and the point of its delivery to or reception in the interstate trunk transmission facilities of a natural gas company or to any sale thereof at or prior to such point of delivery or reception or to the production or gathering of natural gas, or to the producing, gathering, treating, or processing facilities utilized or operations conducted in handling or preparing such gas for delivery or reception at such point, or to the local distribution of natural gas or to local distribution facilities.

"(c) The jurisdiction of the Commission under this act, including but not limited to rate regulatory authority and supervisory control, shall not extend to or over any transportation or sale or facility or operation to which, under the provisions of subdivision (b) of this section, the provisions of this act shall not apply. This limitation of jurisdiction shall control all other provisions of this act."

SEC. 2. Subsection (5) of section 2 of said Natural Gas Act is amended to read as follows:

"(5) 'Natural gas' means either gas in its natural state as produced from the well, or residue gas from gas in its natural state, from casinghead gas or from other gaseous substance after extraction of hydrocarbon liquids, or any mixture of natural and artificial gas."

SEC. 3. Subsection (6) of section 2 of said Natural Gas Act is amended to read as follows:

"(6) 'Natural-gas company' means a person engaged in the transportation of natural gas in interstate commerce subject to the jurisdiction of the Commission as in this act defined, or the sale in interstate commerce after the commencement of such transportation of natural gas for resale subject to the jurisdiction of the Commission, as in this act defined, but to the extent only that such person is engaged in such transportation and sale; but such term does not include (a) any person that transports natural gas solely as a common carrier subject to part I of the Interstate Commerce Act, as amended, or (b) any person engaged in local distribution within a State who receives natural gas within or at the border of such State and sells and delivers such gas (i) to the general public for ultimate consumption therein, or (ii) to another person engaged in local distribution within the same State who sells and delivers such gas to the general public for ultimate consumption therein."

SEC. 4. Section 2 of said Natural Gas Act is further amended by adding thereto the following definitions:

"(10) 'Production' means the recovery of natural gas from reservoirs where naturally found and also the recovery of residue gas from natural gas, casinghead gas, or other gaseous substance by any method or treatment or processing through removal of natural gasoline, butanes, and other hydrocarbons or other chemicals or substances of commercial value, whether such recovery be made prior to, during, or incident to the transportation of natural gas in interstate commerce, and includes the delivery and sale of natural gas from production facilities, at any point thereon, whether such delivery and sale be in interstate or intrastate commerce. 'Production facilities' means the land, leaseholds, wells, separators, extraction plants, and other facilities used for or incident to such production.

"(11) 'Gathering' means the operation of gathering facilities and includes the delivery and sale of natural gas from such facilities, at any point thereon, whether such delivery and sale be in interstate or intrastate commerce; and 'gathering facilities' means facilities used for or incident to moving, by natural or mechanical pressure, natural gas produced or purchased in the production and gathering area to the point or points of delivery into inlets of the trunk transmission facilities used for the transportation of natural gas in interstate commerce subject to the jurisdiction of the Commission.

"(12) 'Transportation of natural gas in interstate commerce' or 'transportation of natural gas in interstate commerce subject to the jurisdiction of the Commission' means and is limited to the operation of moving natural gas in interstate commerce through the whole or a portion of the trunk transmission facilities of a natural-gas company or companies (including facilities or properties for surface or underground storage) which facilities commence at the trunk pipe-line compressor station or stations or main receiving point or points established by a natural gas company for the purpose of receiving gas from gathering facilities or from processing plants for transportation, and extend therefrom to the point or points in the State of local distribution or on the boundary of such State, at which such natural gas moves from the trunk transmission facilities of a person into the local distribution or trunk transmission facilities of another person who sells such natural gas in local distribution. If, before local distribution occurs, natural gas is transported across a State boundary line in trunk transmission facilities of the person who sells such natural gas to consumers in local distribution, then the transportation of such natural gas by such person, up to, but not beyond the point at which it enters the pressure reducing, or measuring station, or local distribution facilities of such person, shall be transportation of natural gas in interstate commerce subject to the jurisdiction of the Commission.

"(13) 'Sale in interstate commerce of natural gas for resale' or 'sale in interstate commerce of natural gas for resale subject to the jurisdiction of the Commission' means and is limited to such sale when made after the transportation of natural gas in interstate commerce subject to the jurisdiction of the Commission.

"(14) 'Local distribution' means the operation of local distribution facilities and includes the delivery or sale of gas therefrom; and 'local distribution facilities' means pipe lines and other facilities used for or incident to the distribution of natural gas to the general public within a community or distribution area for ultimate public consumption for domestic, commercial, industrial, and any other purpose."

SEC. 5. Said Natural Gas Act is amended by adding thereto the following section:

"SEC. 5½. The Commission in its regulation of rates and charges of a natural-gas company for the transportation and sale of natural gas subject to its jurisdiction and in the exercise of all its other functions under this act shall be governed and controlled by the following provisions:

"(a) It shall allow to a natural-gas company as an operating expense an amount determined as follows: (1) the actual prices paid for gas purchased if the purchase is made by a natural-gas company from nonaffiliates and nonsubsidiaries; (2) if the gas is produced by a natural-gas company or purchased from a subsidiary or affiliate, the prevailing market price in the field or fields where produced for natural gas of comparable quality, volume and pressure, delivered under similar conditions, if such market price exists in said field; or, if there is no prevailing market price for such natural gas in said field or fields in which produced, the fair and reasonable value of such gas, taking into consideration prevailing prices for natural gas of a comparable quality, volume and pressure, delivered under similar conditions in the general vicinity, and other pertinent factors, provided such value shall exclude a calculated value for such gas based upon the producer's investment in and cost of the properties from which such gas is produced and shall be restricted to the purposes of this section; and (3) reasonable compensation for gathering all of such gas produced by such natural-gas company or purchased by a subsidiary or affiliate of such natural-gas company, and for delivering the same to the inlet or inlets of the transmission facilities of such natural-gas company: *Provided,* That a natural-gas company owning production facilities or gathering facilities, or both, upon the date when this subsection takes effect may elect, by filing a written statement with the Commission not later than 90 days after such date, that its production and gathering facilities then owned and thereafter acquired shall be included with its facilities used for the transportation of natural gas in interstate commerce in any determination by the Commission of the rates and charges of such company subject to the jurisdiction of the Commission; and after the exercise of such election, the provisions of clauses numbered (2) and (3) of this subsection shall not be applied by the Commission in determining such rates and charges.

"(b) If a natural-gas company is engaged in operations and activities which are not within the Commission's jurisdiction, the Commission, prior to the fixation and determination of the rate base and the rates

subject to the jurisdiction of the Commission, shall (1) segregate from all the property and facilities of such natural-gas company the property and facilities used in the operations and activities subject to the Commission's jurisdiction under this act by proper allocation made in accordance with the use to which the property and facilities are devoted; (2) segregate from all the revenues of such natural-gas company the revenues received from its operations and activities subject to the Commission's jurisdiction under this act; (3) segregate from all the expenses of such natural-gas company the expenses incurred or expended in the operations and activities subject to the Commission's jurisdiction under this act by proper allocation made in accordance with the use to which the property and facilities of such natural-gas company are devoted; and (4) in making such segregations and allocations of property, revenues, and expenses; the Commission shall not assign to the jurisdictional class of property, operations, and activities any of the properties, revenues, or expenses of a nonjurisdictional class of properties, operations, and activities."

SEC. 6. Section 7, as amended, of said Natural Gas Act is amended by adding at the end thereof the following subsection:

"(h) It shall be the duty of every natural gas company furnishing natural gas directly or indirectly to any distributing company for distribution and resale to the public as a public utility service to furnish and supply service which is reasonable, having regard to the public utility character thereof, and to the duty of such distributing company to supply reasonable service to its customers. The Commission shall have power upon complaint or upon its own motion, after notice and opportunity for hearing, by order to require any natural gas company to perform its obligations under this subsection and to install and maintain such service instrumentalities as shall be reasonably necessary for that purpose. With respect to trunk transmission facilities this subsection is subject to the proviso contained in subsection (a) of this section."

SEC. 7. (a) Subparagraph (b) of paragraph (1) of section 1 of the Interstate Commerce Act, as amended, is amended to read as follows:

"(b) The transportation of oil or other commodity, except water and except natural or artificial gas, by pipe line, or partly by pipe line and partly by railroad or by water; or the transportation of natural gas by pipe line solely for others for hire, and not engaged in the selling of natural gas; or".

(b) The first sentence of paragraph (3) (a) of section 1 of the Interstate Commerce Act, as amended, is amended by inserting after the words "pipe-line companies" the words "subject to the provisions of this part."

Mr. WOLVERTON (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that amendments be in order to any part of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read as follows:

Committee amendment: On page 6, line 22, strike out "a" and insert "such."

The committee amendment was agreed to.

Mr. PRIEST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PRIEST: On page 1, line 3, strike out all after the enacting clause and insert the following:

"That subsection (b) of section 1 of the Natural Gas Act, approved June 21, 1938, is hereby amended to read as follows:

"'(b) The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of naural gas or to the facilities used for such distribution or to the production or gathering of natural gas; or, as to those engaged only in production and gathering, to the sale of such gas at arm's length prior to its transportation in interstate commerce, all as hereinafter defined.'

"Section 2 of the act is amended by adding thereto subsections (10), (11), (12), and (13), as follows:

"'(10) "Production" means the extraction of natural gas from reservoirs by means of wells, including any operations incident to production for the separation of casinghead gas from oil or of residue gas from other hydrocarbons, and the delivery of such natural or residue gas by the producer to one engaged in gathering or transportation within the meaning of this act.

"'(11) "Gathering" means the collecting of natural gas from wells of the gatherer or other producers by its movement to central points through pipe lines and other facilities, including those for further processing and compression as a part of gathering, and only such incidental transportation by the gatherer as may be necessary for delivery of such gas into the transmission facilities used for the subsequent transportation of natural gas in interstate commerce within the meaning of this act.

"'(12) "Transportation of natural gas in interstate commerce within the meaning of this act" is limited to the movement of natural gas in interstate commerce through pipe lines and related facilities (including facilities for surface or underground storage as a part of transportation operations) after the completion of production or gathering as above defined, but before the beginning of local distribution.

"'(13) "Sale at arm's length to a natural-gas company" means a sale by any individual, partnership, association, or corporation not standing in such relation to such natural-gas company, by reason of voting-stock interest, common officers or directors, or other evidence of affiliation, that there is liable to be such an absence of independent bargaining in transactions between them as to be contrary to the public interest.'"

Mr. PRIEST (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the remainder of the amendment, which simply consists of definitions, be dispensed with and that it be considered as read, and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. WOLVERTON. Mr. Chairman, reserving the right to object, is this substitute that you are now offering the same one that was submitted to us by the Federal Power Commission?

Mr. PRIEST. I will say to my chairman that it is substantially the same. There might be a word or two in the language changed, but substantially it is the recommendation submitted to the committee and to our chairman by the Commission.

Mr. WOLVERTON. Which is the bill that they submitted on or about July 1 after our hearings had been concluded?

Mr. PRIEST. Yes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. PRIEST. Mr. Chairman, as I stated when I spoke very briefly in general debate, I believe there should be some legislation on this subject. I agree with every member of the committee that there should be. I am offering this suggestion, which is a very simple amendment clarifying the language with reference to the jurisdiction of the Commission over production and gathering in an effort to get that part of the law clarified and in an effort also to permit the Congress to have additional time to study these other broader questions of end-use, and field prices, and export and import, and many of the other rather complex problems that grow out of the natural gas industry before taking any final action of a broad and sweeping nature in the revision of this important act.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. RIZLEY. Mr. Chairman, there is no one in the House for whom I have greater respect than the distinguished gentleman from Tennessee. He has been very helpful all the way through on this legislation. But as he readily admits here, this is an amendment which was designed by the Federal Power Commission itself after all the hearings were concluded and after it had become obvious, I think to everyone, that we were going to have legislation in connection with this matter. I think it is a little late coming now. There was no chance to have further hearings. The hearings were closed, The substitute bill was introduced as recently as July 7th of this year. It was prepared, I believe, as my friend said, by the Federal Power Commission, the very Commission whose opinions we are attempting to correct by this legislation. I believe it does come a little late now.

Mr. PRIEST. Mr. Chairman, I do not have time to yield further, but may I say in that respect that this recommendation was sent to the committee after our committee had asked the Commission for its recommendations with reference to language that would clarify the act following the decision in the interstate case. They did not voluntarily send the letter. At the request of the committee the Commission explained their interest in the matter, and they wrote language which in their opinion should be enacted into law to clarify the law. On the basis of that letter and on the basis of recommendations that they made and also on the basis of my own views on the matter that we should have a simple act clarifying it at this time, I introduced this amendment. I regret very much that I did not have time to present this matter to the committee before the committee had finished its hearings because I believe we might have obtained some consideration of a

more simple measure, one less broad in scope than the bill now before us and one that would enable us to be certain of the effect on the consumer, the producer, and the transporter, and the general effect all the way around. Frankly, I am quite uncertain about the effect of the broad bill now before us.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. HARRIS. Would not the effect of the gentleman's amendment be to include in the present law only this language, "or, as to those engaged only in production and gathering, to the sale of such gas at arm's length prior to its transportation in interstate commerce, all as hereinafter defined."

Mr. PRIEST. The gentleman is exactly correct. That is my opinion of what was originally desired in the Rizley bill. That is the effect of it.

Mr. HARRIS. Does not the gentleman realize that this merely exempts a very small percentage of those engaged in this industry? Probably 4 or 5 percent?

Mr. PRIEST. I am not sure about the percentage. Perhaps it is a comparatively small percentage. Within a very few months we will have before us a very comprehensive survey of this whole field that has been going on for some time.

Mr. HARRIS. Will the gentleman yield further?

Mr. PRIEST. I yield.

Mr. HARRIS. How long has that survey been underway?

Mr. PRIEST. Well, it has been quite some time. I do not know exactly.

Mr. HARRIS. Has it not been over 2 years?

Mr. PRIEST. It has been close to 2 years, at least.

Mr. HARRIS. Was it not back in March of this year when this hearing got under way and the Commission advised us that it expected to have this report in a few months, and we have not heard anything yet from them?

Mr. PRIEST. Yes. They advised us at that time that they expected to have that report in. I understand they will have it in within a few months.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. PRIEST] has expired.

Mr. BECKWORTH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as has been pointed out by the gentleman from Arkansas [Mr. HARRIS] it is quite obvious that the effect of the amendment offered by the gentleman from Tennessee [Mr. PRIEST] will be to continue the kind of words with which in the main fault is today being found. In other words, the change will be very, very nominal.

Before I was compelled to stop a moment ago, I was trying to give you an actual example of the experience of one particular company by virtue of delay occasioned by failure of the Federal Power Commission to act. This company, the Chicago Corp., which today is undertaking to make gasoline from natural gas, an undertaking, as I said a moment ago, which is a strictly venture-capital undertaking, but an undertaking, practical as it is, that will set the pace, we hope, for much additional utilization of gas in its many possible uses.

This letter was written June 3, 1947, by Mr. Richard Wagner, of the Chicago Corp.:

> As you doubtless know the Federal Power Commission advised us that before the hearings were resumed on the Rizley bill they were going to issue an order the next day finding us to be clear of any of the provisions of the Natural Gas Act. This ends 2½ years of extreme uncertainty in our gas and oil operations and enables us now to go ahead with some confidence in the expansion of those activities. The Federal Power Commission's decision likewise should do much to clear up some of the fears and thoughts of the oil industry generally with respect to the application of the Natural Gas Act.
>
> However, we continue to be of the opinion that the act should be amended to clearly exempt production, gathering, and processing from the jurisdiction of the Federal Power Commission. As I told you personally we have every intention of doing our bit in promoting State conservation through the establishment of additional casinghead plants to recover flare gas. However, we could go ahead with much more certainty if the act were amended.

Again I repeat, the important thing to people engaged in the industry is to know and to know soon where they stand and how they stand.

H. R. 4099, the Priest bill, does not correct the field price provisions of the present law nor the application of certain rate provisions of the present powers of the Commission. It has followed that properties have been destroyed and in many instances operators have been discouraged and hesitate to subject themselves to the jurisdiction of the Commission.

I want to read just a little from the opinion of Justice Jackson. He did give an opinion with reference to the field price situation that obtains with regard to natural gas:

> These orders—

Talking about the orders of the Federal Power Commission—

> in some instances result in three different prices for gas from the same well. The regulated company is a part owner, an unregulated company is a part owner, and the land owner has a royalty share of the production from certain wells. The regulated company buys all of the gas for its interstate business. It is allowed to pay as operating expenses an unregulated contract price for its coowner's share and a different unregulated contract price for the royalty owner's share, but for its own share it is allowed substantially less than either. Any method of rate making by which an identical product from a single well, going to the same consumers, has three prices, depending on who owns it, does not make sense to me.

If it does not make sense to Justice Jackson in this instance I am afraid it is pretty difficult to make sense to some of us others.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WORLEY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WORLEY. Mr. Chairman, in the Natural Gas Act of 1938 the Congress sought to provide for Federal regulation of a zone which properly was the business of the Federal Government. That was the purely interstate phase of this great, growing industry. On the producing end the States themselves exercise jurisdiction and regulation over conservation of the product so that it may be devoted to useful purposes, they levy and collect taxes on the properties and the gas produced. This field of regulation is occupied.

On the retail distribution end, the States and the municipalities regulate the rates charged to the consumers and make other regulations suitable to safety and the orderly conduct of the business. This, also, is a field of regulation that is occupied.

It was the purely interstate phase—the transmission of natural gas from the producing fields on one end and the local sales on the other—that the Natural Gas Act was designed to cover.

By extension and self-interpretation, the Federal Power Commission, to whom administration of the act was delegated, has encroached on the authority of State and local regulatory agencies. To end the confusion and the conflict thus created there has come a concerted appeal from these State officials and from the industry to the Congress to amend the Natural Gas Act.

We are asked to make the limits of Federal authority so clear that there can be no occasion for continuance of the present uncertainty.

Of outstanding importance to the consumers is the proposed prohibition on what is referred to as the end-use issue. There certainly is nothing in the Natural Gas Act or in any other law of this Nation which authorizes any agency to say what is a "superior" and what an "inferior" use of natural gas. It is a theory that is repugnant to our life and enterprise. Yet, such regulation has been attempted by the Federal Power Commission. It is time that Congress end such assumption of power.

The producers of both natural gas and oil are apprehensive at another interpretation of the law which has crept in. Spokesmen for the Federal Power Commission have recently agreed that the law does not confer the authority to regulate the production and the gathering of natural gas, yet, as the testimony in the recent hearings clearly proved, by certain of its decisions the Commission has attempted such regulation.

There actually are producers who will not contract to sell their gas for fear that they will be classified as natural-gas companies and be subject to all the Federal regulations applying to such companies within the statutory meaning of the term. There are thousands of producers of oil who also produce gas.

The two resources occur together in all but the "dry gas" fields. To produce oil it is necessary to produce gas. If the Federal Power Commission regulated the one it would regulate the production of the other. The States themselves regulate production of both. Such regulation is the basis of our great successful

conservation program. It is a field that is already occupied. Federal regulation of production and gathering of gas would produce a state of confusion and jurisdictional chaos that would have a paralyzing effect upon the exploration and development activities all over the Nation.

The Federal Power Commission concedes in one breath that it has no authority for that form of regulation and in the next urges that it is a matter that should be left to its discretion, that there are borderline cases which it should decide.

The producers to whom we look for assurance of supply of oil and gas and the consumers who depend on the efforts of the producers are entitled to a final and unequivocal decision by the Congress. The several oil- and gas-producing States are entitled to the assurance that their conservation efforts will not be usurped by an agency fitted neither by authority nor experience to attempt the regulation of production and gathering and processing in the field.

It is time the Congress should clearly delineate exactly what power it intended to give the Federal Power Commission in this field. Based on the number of letters I have received from land and royalty owners, independent producers, and many others in my district, they feel the continued encroachment of the Federal Power Commission would be harmful. I hope this committee can and will take immediate steps to report suitable legislation to the House for action.

Mr. MUHLENBERG. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from Pennsylvania is recognized.

Mr. MUHLENBERG. Mr. Chairman, I do not expect to take 5 minutes to ask the question I wish to ask, but it seems to me that for the record we should have set forth the parallel position between the answer of the Federal Power Commission as given this committee and the answers the Federal Power Commission has given the Committee on Public Works, of which I am a member.

To the Committee on Public Works the Federal Power Commission has denied time and again in their testimony that they ever go beyond the wholesale point in sales. Here, apparently, the very opposite has been the case and they have asserted to the committee their jurisdiction over retail sales. I would therefore like to have the point clarified as to whether in the one case to us they deny it and in the instant case before you they declare it. Am I correct?

Mr. RIZLEY. The gentleman is absolutely correct.

One of the purposes of this bill is to keep the Federal Power Commission, so to speak, within its own barnyard. The State regulatory bodies are supposed to look after the retail sales of gas after it goes into the hands of the distributing companies; they take care of the distributing companies. The jurisdiction of the Federal Power Commission can only begin where the gas enters the interstate line and ends where it leaves the line.

Mr. MUHLENBERG. That is exactly the important point of this legislation. It seems to me the time has come when the Federal Power Commission's jurisdiction must be checked, and here is an opportunity in this bill at least to assume the position that we in Congress believe is the right one and the one we want followed. I think, therefore, the legislation is good and should be passed.

Mr. CARROLL. Mr. Chairman, I move to strike out the last four words.

I rise to speak in favor of the amendment offered by the gentleman from Tennessee. I do not profess to be an expert concerning the provisions of this bill but it is crystal clear to me that the purpose of this legislation is to deprive the Federal Power Commission of its jurisdiction to regulate gas rates in the protection of the consumer. The present bill, unless amended, is contrary to the public interest. If we permit this bill to pass unchallenged we are violating the trust reposed in us by virtue of the high office which we hold.

It is openly admitted on the floor of this House that the proposed bill will change existing law in at least two important respects. Those in favor of the bill charge that the Federal Power Commission has been extending and invoking its jurisdiction in the natural gas industry by applying a formula for the fixing of gas rates contrary to the intent of Congress. This is not the first time that such an argument has been presented. Actually this very point has been litigated in many courts and only recently the Supreme Court of the United States has upheld the position taken by the Federal Power Commission. The truth, then, is this. Having exhausted all of the legal remedies available in the courts of the Nation, those backing this bill now come before the Congress requesting that we enact legislation nullifying and destroying the interpretations and concepts given by court decisions under the Natural Gas Act as passed by Congress some years ago.

There is no doubt about this for those sponsoring this legislation would readily admit that that is the very purpose of the bill. This is to be accomplished by changing the present rate-making formula now being used by the Federal Power Commission. Does anyone deny that if we accept the change in formula as evidenced by this proposed legislation that such change will not result in an increase in the gas rate to the consumer? That being true, then the whole purpose of this legislation will result in a rate increase.

I have some knowledge of this matter although I do not profess to be an expert. Not long ago the people of the city of Denver, through their representatives, in cooperation with the Federal Power Commission, were successful in the courts in establishing that consumers of natural gas were being overcharged. There was spirited litigation on this issue and had it not been for the jurisdiction of the Federal Power Commission there would have been no relief to the people of Denver. That litigation resulted in the repayment to Denver consumers of approximately $4,000,000. This is fresh in my mind because the repayment has just been made within the last few months. If my memory serves me correctly, consumers in other areas received additional millions of dollars as a result of the vigilance of the Federal Power Commission.

Now what was the basis of this overcharge? As I understand it, natural-gas companies engaged in interstate commerce were using as a basis for rate-making purposes certain expenses incurred in producing, gathering, transporting, and distributing natural gas. I do not have the time to go into great detail. However, it is sufficient to say that the Federal Power Commission and the courts have held that there was an unwarranted loading of expenses which in turn resulted in unreasonable rates to the ultimate consumer. If we now take away from the Federal Power Commission its present jurisdiction, the inevitable result will be higher rates to the consumer.

The amendment offered by the gentleman from Tennessee, so he informs me, will give to the independent producer, in natural-gas areas, complete freedom of action; that there will be no control by the Federal Power Commission unless and until they affiliate themselves with that portion of the natural-gas industry engaged in interstate commerce. If they so affiliate themselves they then become subject to the jurisdiction of the Commission under existing administrative and legal interpretations.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Arkansas.

Mr. HARRIS. How does the gentleman draw a distinction between the price of gas in fields owned by transportation companies and natural-gas companies, and the independent producers?

Mr. CARROLL. The only distinction I am able to draw at all, because I do not have the factual background that the gentleman from Arkansas has, is based upon his own statement to this body which was to the effect that this bill will change the formula, and I submit if you change the formula you change the basis for rate-making.

Mr. HARRIS. Does the gentleman believe if he owns a gas field and it belongs to a transportation company that he should have the same rate for his gas that I would have if I were an independent producer in that same field?

Mr. CARROLL. Perhaps I can answer that in this way: If a large utility goes into an area and it leases or takes over an independent who becomes a subsidiary, then they use that connection to build up rates, as they have always done, they ought to subject themselves to the jurisdiction of the Federal Power Commission, assuming movement of gas in interstate commerce.

Mr. HARRIS. Does not the gentleman have a local commission in his State that adjusts rates to the consumers?

Mr. CARROLL. The local commission has limited jurisdiction. It cannot go into these matters of production, gathering and transportation. That requires a Federal agency that has investigators, that has the power of investigation, that has the facilities to gather all the facts in order to give a proper decision. That is the reason I am in favor of the amendment offered by the gentleman from Tennessee.

Mr. HARRIS. The gentleman, I assume, is not familiar with the fact that the local conservation commissions of the several States, all States, I believe, with the exception of one, has complete jurisdiction to determine those matters with reference to production and gathering?

Mr. CARROLL. The gentleman from Arkansas knows, I am sure, because he has much greater knowledge than I have on this subject, if it had adequate jurisdiction these great companies would not be trying to modify the Natural Gas Act today. The whole purpose, I submit, and I do not impugn the motive of any member of this committee, is to increase the gas rate to the consumer. The millions of dollars they have been required to pay back because of overcharges they will now seek to recapture if this bill passes without this amendment.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from Louisiana.

Mr. BROOKS. May I say that my interest in this has been largely from the viewpoint of the little independent operator or the little independent producer. The statement made by Maj. B. A. Hardey, who represents the independent oil and gas operators of the United States, is a rather convincing statement and from his viewpoint he feels that some legislation is necessary.

Mr. CARROLL. I may say to the gentleman that the amendment offered by the gentleman from Tennessee will give that complete freedom of action unless they affiliate.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. RIZLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sure that the distinguished gentleman from Colorado is somewhat confused about the purposes of this bill. For his enlightenment I would like to call his attention to what the Federal Power Commission itself said in a staff report that it released about the necessity of some legislation. That was after the Commission had spent considerable time on this Docket 580 and had heard witnesses throughout the country not only from the industry, but from various other segments of business.

It is evident from the testimony, indicating a widespread atmosphere of anxiety and uncertainty among State officials and the industries concerned—

That is the very matter the gentleman is talking about—

that this matter is in need for further clarification. A continuance of the existing disturbed situation is certain to interfere with the effective performance in the public interest of the duties of both the Federal and State regulatory agencies in their respective spheres—

That is the Federal Power Commission speaking—

and it will also affect adversely the interests and actions of oil and gas producers, land and royalty owners, and the transmission companies which purchase gas in the field. It may be expected, also, that unless this issue is clarified, the results will be detrimental to those who consume natural gas and to the efforts of conservation authorities to prevent its waste.

That is from the Federal Power Commission, from a staff report released after they had had these months of investigation.

Now, who is going to make this clarification? Here is the Federal Power Commission which has been in existence for 9 years. I offered this bill. The Federal Power Commission was there and testified. They were heard. But they come in at this late hour, with all due respect to my good friend the gentleman from Tennessee [Mr. PRIEST] and my very good friend from Texas, with a bill that no one knows anything about. They have picked a few crumbs out of the air, so to speak, and said, "Here is what we want"; and my good friend from Tennessee says, "Let us take that and let us just wait a little longer."

Now, they have had 9 years.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Tennessee.

Mr. PRIEST. I am sure my good friend wants to be very fair; he always has been. I regard him very highly. I stated to the committee, and my friend from Oklahoma knows, that my position is that this bill is very simple; that it does only one thing which I claim for it, and that is that it exempts the independent producer and the gatherer of natural gas from any jurisdiction by the Federal Power Commission. Other than that, it does not do a thing. I do not claim anything else for it. I do not believe we should do more than that at the present.

Mr. RIZLEY. Well, I just want to say in closing that the Committee on Interstate and Foreign Commerce was very patient with me, and very patient with everyone who wanted to be heard. They spent days and days on this matter. After the conclusion of many, many days' testimony and statements—they were not all there, but I think my friend from Tennessee was there—they voted the Rizley bill unanimously out of that committee. Now, it seems to me we would be rather presumptive at this late hour to come in now and accept a substitute for my bill; a substitute that was written by the Federal Power Commission, the very people who we are attempting to enlighten.

Mr. PRIEST. Mr. Chairman, will the gentleman yield for just one more question?

Mr. RIZLEY. I yield.

Mr. PRIEST. The gentleman is correct that I was present, and it will be recalled, however, that I voted to report the bill, believing we should have legislation with reservations.

Mr. RIZLEY. I appreciate fully the fine work that the gentleman from Tennessee has done.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

The question is on the amendment offered by the gentleman from Tennessee.

The amendment was rejected.

Mr. PRIEST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PRIEST: On page 9, line 22, strike out all of section 7.

Mr. PRIEST. Mr. Chairman, this is an amendment to strike out section 7 of the bill, which is that section of the bill which provides that where a pipe line shall be engaged for hire to transport natural gas it shall be regulated by the Interstate Commerce Commission. That section of the bill amends the Interstate Commerce Act and not the Natural Gas Act.

I feel that the amendment is entirely out of place in this bill. I feel further that it is an amendment that might in the future cause great difficulty in the supply of natural gas in my own area, for instance. We are consumers there, we are not producers. It is my judgment that a common carrier must accept what is offered to it for transportation and delivery to the point to which it is consigned. Therefore, there would be no question, if the gas line that serves my particular area now, decides in the future to operate as a common carrier, that it would not be required under a certificate of convenience and necessity to supply consumers in the area with natural gas. I think this is very clear.

I shall not take any more of the time of the committee, but I do hope this section will be stricken from the bill. I see no place for it in this bill.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Arkansas.

Mr. HARRIS. In other words, this amendment concerning a common carrier for hire of natural gas would put the jurisdiction under the Interstate Commerce Commission. Can the gentleman think of any industry insofar as serving the public or the consumers is concerned, to which this would apply?

Mr. PRIEST. I do not know of any instance. I think it would not apply to any operating gas line today that is transporting natural gas. I think it might apply in the future. I believe the committee report states that one purpose of it is that it would encourage perhaps a wider distribution of natural gas if some encouragement were given to the operators of pipe lines to act as common carriers for the transportation of natural gas. I cannot see any place for this section in a bill that is supposed to clarify the jurisdiction of the Federal Power Commission over the production and gathering of natural gas. It simply does not belong here.

I hope the amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The amendment was rejected.

Mr. SCHWABE of Oklahoma. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to say merely that the independent oil and gas producers of this country have always been and are among the foremost believers in the American system of free enterprise. They are almost unanimously for this legislation and are urging its enactment by this Congress.

Mr. SPRINGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time merely to call attention to page 10 of the report

under the title "Direct Sales." The language contained in the report has caused very much confusion.

In my own State of Indiana the supreme court has decided one case which is very outstanding, entitled the Public Service Commission of Indiana versus Panhandle Eastern Pipe Line Co. It is No. 28,225 on the supreme court docket of Indiana, and was decided on the 5th day of February 1947.

Mr. ROBSION. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. ROBSION. Is that decision contrary to the provisions of this bill?

Mr. SPRINGER. That decision merely clarifies the language to which I have referred on page 10 of the report. Personally, I am in favor of the legislation.

The decision is as follows:

Suggestion is made by appellee, but not very vigorously urged, that it is not a public utility in its service direct to large industrial consumers in Indiana, and is, therefore, not subject to regulation in connection with such service. By the Natural Gas Act (sec. 1 (a)) it appears that the natural-gas business had been investigated by the Federal Trade Commission and reports had been made to Congress, and upon the basis of such investigation and reports Congress declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest, and it is traditionally accepted that any business affected with a public interest is subject to regulation and control.

We also have an Indiana statute which defines a public utility, subject to control of the Indiana Public Service Commission, to be "* * * every corporation * * *, that now or hereafter may own, operate, or control any * * * plant or equipment * * * for the * * * transmission, delivery, or furnishing of heat, light, water, or power * * * either directly or indirectly to or for the public * * *" (secs. 54-105 Burns, 1933).

Another Indiana statute became law on February 26, 1945, before the orders involved in this action were made by the Indiana Public Service Commission. Acts of 1945, chapter 53, page 110. This act adds an additional section to the Indiana Public Service Commission Act aimed directly at the natural-gas business, and by the act a "gas utility" was defined to mean and include "any public utility selling or proposing to sell or furnish gas directly to any consumer or consumers within the State of Indiana for his, its, or their domestic, commercial, or industrial use." Certainly appellee is selling and proposing to sell gas directly to consumers in Indiana.

The bottom question on this phase of the case is whether the appellee is furnishing gas in Indiana directly or indirectly to or for the public. Admittedly it is selling gas in Indiana indirectly to and for the public through distributing companies and that makes it a public utility under the Indiana statute, subject to regulation and control by the Indiana Public Service Commission. Also, admittedly it is selling and proposing to sell gas directly to consumers within the State. This part of its business and its interstate transportation and its sales to local distributing utilities are so integrated that in any practical consideration of the State's right to regulate direct sales to consumers that activity must be appraised as a part of its entire business in Indiana. Its rights and duties, with reference to such direct sales, must be determined in the light of its overall character in the State of Indiana. It will compete with local activities in soliciting industrial business and will be in position to discriminate in its service and in its rates and in its regulations. This freedom is inconsistent with all concepts of the duties and obligations of a person or corporation engaged in such business.

The primary duty of a public utility is to serve on reasonable terms all those who desire the service it renders. This duty does not permit it to pick and choose and to serve only those portions of the territory which it finds most profitable, leaving the remainder to get along without the service which it alone is in a position to give. *United Fuel Gas Co.* v. *Railroad Commission* ((1929), 278 U. S. 300, 309, 73 L. Ed. 390, 396); *Industrial Gas Co.* v. *Public Utilities Commission of Ohio* ((1939), 135 Ohio St. 408, 21 N. E. (2d) 166, 168). From the last named case, we quote the following:

"It may well be urged that a corporation, calculated to compete with public utilities and take away business from them, should be under like regulatory restriction if effective governmental supervision is to be maintained. Actual or potential competition with other corporations whose business is clothed with a public interest is a factor to be considered; otherwise corporations could be organized to operate like appellant and in competition with bona fide utilities until the whole State would be honeycombed with them and public regulation would become a sham and delusion.

"What appellant seeks to do is to pick out certain industrial consumers in select territory and serve them under special contracts to the exclusion of all others except such private or domestic consumers as may suit its convenience and advantage. There were other industrial consumers with whom the appellant refused or failed to agree and so did not serve them. If such consumers were served at all, it must necessarily be by a competitor. If a business so carried on may escape public regulation then there would seem to be no valid reason why appellant may not extend the service to double, triple or many times the number now served without being amenable to regulative measures."

The law, as declared in Industrial Gas Company v. Public Utilities Commission of Ohio, supra, seems to us fair, reasonable and logical and, when applied to the facts in the case before us, leaves appellee unquestionably in the position of a public utility subject to regulation.

The same thought which was behind the Ohio case, just cited and quoted, with which thought we agree, was also incorporated in *Re Potter Development Co.* ((1939), 32 P. U. R., N. S. 45), decided by the Public Service Commission of New York. In that case, the Potter Co. sold natural gas to the Corning Glass Works. The Potter Co. obtained its gas from an interstate transmission line and piped it to the Corning Glass Works, which is located in the city of Corning, New York. The glass works was the only customer served by the Potter Co., but the interstate pipe line also furnished gas to an affiliate which, as a public utility, operated the gas distribution system in the city of Corning. There was a proceeding to determine whether the Potter Co. was a public utility subject to regulation by the New York Public Service Commission. The Commission held that it was, and, in support of its holding argued that to hold otherwise would invite widespread circumvention of the public-service law and would result in a multitude of companies supplying gas under special contracts in competition with public utilities and indicated that such a situation would be intolerable.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CLASON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4051) to amend the Natural Gas Act approved June 21, 1938, as amended, pursuant to House Resolution 278, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. CARROLL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CARROLL. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CARROLL moves to recommit the bill to the Committee on Interstate and Foreign Commerce with instructions to that committee to report the bill back to the House forthwith with the following amendment: Strike out all after the enacting clause of H. R. 4051 and insert in lieu thereof the following: "That subsection (b) of section 1 of the Natural Gas Act, approved June 21, 1938, is hereby amended to read as follows:

"'(b) The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas; or, as to those engaged only in production and gathering, to the sale of such gas at arm's length prior to its transportation in interstate commerce, all as hereinafter defined.'

"Section 2 of the act is amended by adding thereto subsections (10), (11), (12), and (13) as follows:

"'(10) "Production" means the extraction of natural gas from reservoirs by means of wells, including any operations incident to production for the separation of casing-head gas from oil or of residue gas from other hydrocarbons, and the delivery of such natural or residue gas by the producer to one engaged in gathering or transportation within the meaning of this act.

"'(11) "Gathering" means the collecting of natural gas from wells of the gatherer or other producers by its movement to central points through pipe lines and other facilities, including those for further processing and compression as a part of gathering, and only such incidental transportation by the gatherer as may be necessary for delivery of such gas into the transmission facilities used for the subsequent transportation of natural gas in interstate commerce within the meaning of this act.

"'(12) "Transportation of natural gas in interstate commerce within the meaning of this act" is limited to the movement of natural gas in interstate commerce through pipe lines and related facilities (including facilities for surface or underground storage as a part of transportation operations) after the completion of production or gathering as above defined, but before the beginning of local distribution.

"'(13) "Sale at arm's length to a natural-gas company" means a sale by any individual, partnership, association, or corporation not standing in such relation to such natural-gas company, by reason of voting-stock interest, common officers or directors, or other evidence of affiliation, that there is liable to be such an absence of independent bargaining in transactions between them as to be contrary to the public interest.'"

Mr. CARROLL (interrupting the reading of the motion). Mr. Speaker, I ask unanimous consent that the further reading of the motion be dispensed with. I might say in explanation that this is the amendment which was just debated in Committee, the amendment submitted by the gentleman from Tennessee [Mr. PRIEST].

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. CARROLL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. FOGARTY) there were—ayes 15, noes 154.

Mr. CARROLL. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and ninety-four Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 64, nays 253, not voting 113, as follows:

[Roll No. 108]

YEAS—64

Allen, Ill.	Fogarty	Manasco
Battle	Folger	Mansfield, Mont.
Buchanan	Forand	Miller, Calif.
Cannon	Gordon	Murray, Tenn.
Carroll	Gore	O'Brien
Chelf	Granger	Potts
Cooper	Hardy	Priest
Corbett	Hart	Rains
Cotton	Havenner	Rankin
Crosser	Hobbs	Rayburn
Davis, Ga.	Huber	Rooney
Deane	Hull	Sabath
Delaney	Jackson, Wash.	Sadowski
Dingell	Karsten, Mo.	Sasscer
Donohue	Kefauver	Scoblick
Douglas	King	Spence
Eberharter	Kirwan	Tibbott
Engle, Calif.	Lane	Towe
Evins	Lanham	Van Zandt
Fallon	Lesinski	Winstead
Feighan	McCormack	
Fenton	Madden	

NAYS—253

Abernethy	Beckworth	Burke
Albert	Bell	Burleson
Allen, Calif.	Bender	Butler
Allen, La.	Bennett, Mo.	Byrnes, Wis.
Almond	Bishop	Camp
Andersen, H. Carl	Blackney	Carson
Anderson, Calif.	Boggs, Del.	Case, S. Dak.
Andresen, August H.	Boggs, La.	Chenoweth
Andrews, Ala.	Bonner	Chiperfield
Angell	Boykin	Church
Arends	Bradley	Clason
Arnold	Bramblett	Clevenger
Bakewell	Brehm	Clippinger
Banta	Brooks	Cole, Kans.
Barrett	Brophy	Colmer
Bates, Mass.	Brown, Ga.	Combs
	Brown, Ohio	Cooley
	Bryson	Cravens
Crawford	Johnson, Ind.	Poulson
Cunningham	Johnson, Okla.	Preston
Curtis	Johnson, Tex.	Price, Fla.
Davis, Tenn.	Jones, Ala.	Ramey
Davis, Wis.	Jonkman	Reed, Ill.
Dawson, Utah	Kearney	Reed, N. Y.
Devitt	Kearns	Rees
D'Ewart	Keating	Reeves
Dolliver	Keefe	Richards
Domengeaux	Kerr	Richlman
Dondero	Kersten, Wis.	Riley
Doughton	Kilburn	Rivers
Elliott	Kilday	Rizley
Ellis	Knutson	Robertson
Elsaesser	Kunkel	Robsion
Elston	Landis	Rockwell
Engel, Mich.	LeFevre	Rogers, Fla.
Fellows	Lewis	Rogers, Mass.
Fernandez	Lodge	Rohrbough
Foote	Love	Russell
Fulton	Lucas	Sadlak
Gary	Lusk	Sanborn
Gathings	Lyle	Sarbacher
Gavin	McConnell	Schwabe, Okla.
Gearhart	McCowen	Scrivner
Gillette	McDonough	Seely-Brown
Gillie	McDowell	Shafer
Goodwin	McGregor	Sheppard
Gossett	McMahon	Short
Graham	McMillan, S. C.	Sikes
Grant, Ala.	MacKinnon	Simpson, Pa.
Grant, Ind.	Mahon	Smathers
Gregory	Maloney	Smith, Maine
Griffiths	Martin, Iowa	Smith, Wis.
Gross	Mathews	Snyder
Gwynne, Iowa	Meade, Ky.	Springer
Hagen	Meade, Md.	Stefan
Hale	Merrow	Stevenson
Hall, Edwin Arthur	Meyer	Stigler
	Miller, Conn.	Stockman
Halleck	Miller, Md.	Stratton
Harless, Ariz.	Miller, Nebr.	Taber
Harness, Ind.	Mills	Talle
Harris	Mitchell	Teague
Harrison	Morris	Thomas, N. J.
Hays	Morrison	Thomas, Tex.
Hébert	Morton	Trimble
Hedrick	Muhlenberg	Twyman
Hendricks	Mundt	Vail
Herter	Murdock	Vorys
Heselton	Murray, Wis.	Vursell
Hess	Nodar	Weichel
Hill	O'Hara	West
Hinshaw	O'Konski	Wheeler
Hoeven	Owens	Whitten
Hoffman	Pace	Whittington
Holmes	Passman	Wigglesworth
Hope	Patman	Williams
Horan	Patterson	Wilson, Ind.
Howell	Peden	Wilson, Tex.
Jackson, Calif.	Peterson	Wolcott
Jarman	Philbin	Wolverton
Javits	Phillips, Calif.	Wood
Jenison	Phillips, Tenn.	Worley
Jenkins, Ohio	Pickett	Youngblood
Jennings	Ploeser	Zimmerman
Jensen	Plumley	
Johnson, Ill.	Poage	

NOT VOTING—113

Andrews, N. Y.	Drewry	Lea
Auchincloss	Durham	LeCompte
Barden	Eaton	Lemke
Bates, Ky.	Ellsworth	Lynch
Beall	Fisher	McGarvey
Bennett, Mich.	Flannagan	McMillen, Ill.
Bland	Fletcher	Mack
Blatnik	Fuller	Macy
Bloom	Gallagher	Mansfield, Tex.
Bolton	Gamble	Marcantonio
Buck	Gifford	Mason
Buckley	Goff	Michener
Buffett	Gorski	Monroney
Bulwinkle	Gwinn, N. Y.	Morgan
Busbey	Hall, Leonard W.	Nixon
Byrne, N. Y.		Norblad
Canfield	Hand	Norrell
Case, N. J.	Hartley	Norton
Celler	Heffernan	O'Toole
Chadwick	Holifield	Pfeifer
Chapman	Jenkins, Pa.	Powell
Clark	Johnson, Calif.	Price, Ill.
Clements	Jones, N. C.	Rabin
Coffin	Jones, Ohio	Rayfiel
Cole, Mo.	Jones, Wash.	Redden
Cole, N. Y.	Judd	Rich
Coudert	Kean	Ross
Courtney	Kee	St. George
Cox	Kelley	Schwabe, Mo.
Crow	Kennedy	Scott, Hardie
Dague	Keogh	Scott, Hugh D., Jr.
Dawson, Ill.	Klein	Simpson, Ill.
Dirksen	Larcade	Smith, Kans.
Dorn	Latham	Smith, Ohio
		Smith, Va.
		Somers
		Stanley
		Sundstrom
	Taylor	Walter
	Thomason	Welch
	Tollefson	Woodruff
	Vinson	
	Wadsworth	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Lea for, with Mr. Cox against.

Mr. Price of Illinois for, with Mr. Vinson against.

Mr. Holifield for, with Mr. Auchincloss against.

Mr. Gorski for, with Mr. Cole of Missouri against.

Mr. Keogh for, with Mr. Cole of New York against.

Mr. Dawson of Illinois for, with Mr. Case of New Jersey against.

Mr. Flannagan for, with Mr. Dague against.

Mr. Courtney for, with Mr. Schwabe of Missouri against.

Mr. Kelley for, with Mr. Sundstrom against.

Mr. O'Toole for, with Mr. Judd against.

Mr. Byrne of New York for, with Mr. Hardie Scott against.

Mr. Rayfiel for, with Mr. Kee against.

Mr. Heffernan for, with Mr. Leonard W. Hall against

Mr. Blatnik for, with Mr. Hugh D. Scott, Jr., against.

Mr. Morgan for, with Mr. McGarvey against.

Mr. Klein for, with Mr. Bennett of Michigan against.

Mr. Walter for, with Mr. Macy against.

Mr. Rabin for, with Mr. Dorn against.

Mr. Lynch for, with Mr. Busbey against.

Mrs. Norton for, with Mr. Canfield against.

Mr. Kennedy for, with Mr. Hand against.

Mr. Powell for, with Mr. Crow against.

Mr. Pfeifer for, with Mr. Eaton against.

Mr. Marcantonio for, with Mr. Gallagher against .

Mr. Buckley for, with Mr. Simpson of Illinois against.

Mr. Celler for, with Mr. Jenkins of Pennsylvania against.

Mr. Somers for, with Mr. Chapman against.

General pairs until further notice:

Mr. Andrews of New York with Mr. Redden.

Mr. Hartley with Mr. Smith of Virginia.

Mr. Chadwick with Mr. Norrell.

Mr. Kean with Mr. Larcade.

Mr. Latham with Mr. Bulwinkle.

Mr. McMillen of Illinois with Mr. Drewry.

Mr. Mason with Mr. Jones of North Carolina.

Mr. Dirksen with Mr. Bates of Kentucky.

Mr. Buck with Mr. Durham.

Mr. Rich with Mr. Stanley.

Mrs. St. George with Mr. Fisher.

Mr. Smith of Ohio with Mr. Bland.

Mr. Gifford with Mr. Clements.

Mr. Gamble with Mr. Monroney.

Mr. Goff with Mr. Thomason.

Mr. Coudert with Mr. Mansfield of Texas.

Mr. O'KONSKI changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. LANHAM. Mr. Speaker, under leave to extend my remarks in the RECORD, I am including therewith an editorial from the St. Louis Post-Dispatch of July 8, 1947, entitled "New Power Trust Drive."

I agree thoroughly with this editorial and am introducing it at this point in the RECORD because I believe that what is said therein about certain bills which would cut the heart out of the law creating the Federal Power Commission is applicable to H. R. 4051 which proposes to amend the Natural Gas Act approved June 21, 1938.

I am convinced that this bill, H. R. 4051, has the same end in view as what is referred to as the second Miller bill. All this is done purportedly to safeguard State's rights. It is not really intended to preserve State's rights but to enable the producers and distributors of natural gas to escape Federal regulations which, after all, is the only real effective regulation of utilities.

NEW POWER TRUST DRIVE

The Power Trust is active again. It is attempting to cut the heart out of the law creating the Federal Power Commission. The tools it is using for this are two bills offered by Representative MILLER, of Connecticut, which up to recently have escaped publicity. Marquis Childs, among others, has thrown the spotlight on these measures.

Does the Power Trust think the country has forgotten the age of Insull, with its reckless and corrupt practices? The country's memory is longer than that. It remembers the orgies of the twenties, when far-flung utility empires swindled investors, corrupted legislators, and even tried to pervert the minds of school children by bribing teachers to spread public utility propaganda in the schools.

Congress took note of the national scandal in 1928 by ordering a sweeping inquiry into utility practices by the Federal Trade Commission. In the following year, Herbert Hoover recommended an overhauling of the Federal Power Commission to enable it to regulate the interstate transmission of electricity. That was done.

The Federal Trade Commission had reported that utility books carried nearly a billion and a half in over-inflated values. In 1935, greater powers were given to the Federal Power Commission. It went to work to squeeze the water out of public utility rate structures, and that work is still going on. But the utilities now seek, under the cover of apathy, a return of the good old days.

One of Representative MILLER'S bills would exempt important interstate movements of electric energy from Federal supervision. The States are powerless, as the Supreme Court has repeatedly decided, to control power exports and imports. Therefore, the effect of the Miller bill would be to restore the no man's land that existed before Hoover took action in 1929. A vast field of power company activity would go unregulated.

MILLER'S second bill is purportedly designed to safeguard States' rights. This is an old dodge. The utilities used the slogan for all it was worth in 1928, not to safeguard States' rights, but to escape Federal scrutiny. If the second Miller bill passes, its effect will be to nullify a national water-conservation policy that has developed over many years quite outside of partisan politics.

The bill narrows the definition of "navigable waters" in such a way, evidently, as to permit a utility to build dams on nonnavigable portions of streams. This might seriously affect the navigable portions, but the Federal Government would be powerless to interfere.

Miller bill No. 2 would open the way to perpetual private power rights, even if they destroyed uses in the public interest, such as flood control, navigation, and irrigation. Under present law, the Government can recapture private developments that interfere with the public interest, but the Miller bill would cloud that process and make its exercise more difficult.

Once again, the Miller bill would exempt nonutilities from the Federal licensing requirement. Many manufacturers have dammed streams and use all the power in their own plants. To exempt these manufacturers from regulation, so the Federal Power Commission holds, would "practically nullify any effective control over stream development for conservation purposes."

As Mr. Childs reports, a parade of power company executives has appeared before a House committee to urge passage of the Miller legislation. They were accompanied by witnesses from several State utility commissions. These commissions, as has repeatedly been shown, are often stooges for the utilities. To quote Mr. Childs:

"The private-utility lobby in a State capital is ordinarily well heeled, and now and then shocking cases of wholesale bribery have come to light."

The drive to put over the Miller legislation is only part of a general effort by private utilities to recapture some of the license they once enjoyed, to the country's sorrow, in the age of Insull. The Power Trust still tries to take over Federal power at the switchboard—in other words, on the companies' own terms. After refusing to enter the field of rural electrification utilities now attempt to sabotage REA appropriations, and to make cutthroat raids on electric systems owned by the farmers themselves. The power industry is out to wreck the Southwestern Power Administration and to prevent the extension of the TVA idea.

The country should be alerted to the dangers inherent in the resurgent campaign of the Power Trust. The first countermove should be the death of the Miller bill.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

MESSAGES FROM THE SENATE AND SIGNING ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House until Monday next, the Clerk be authorized to receive messages from the Senate, and that the Speaker be authorized to sign any enrolled bills or joint resolutions passed by the two Houses found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEGISLATIVE PROGRAM, WEEK OF JULY 14

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I take this time to announce the program for next week.

Monday is District of Columbia day, and I understand there are some bills on that calendar to be called.

Tuesday the Private Calendar will be called.

Beginning on Monday, and taking advantage of such time as may be available through the week, the following bills will be considered:

H. R. 3813, loyalty bill.

H. R. 4102, scientific foundation bill.

H. R. 1639, Employers Liability Act.

Senate Joint Resolution 123, repeal certain emergency statutes.

House Resolution 211, public works survey.

H. R. 1602, national mineral resources bill.

H. R. 3952, amend section 10, Federal Reserve Act.

House Joint Resolution 222, terminating consumer credit controls.

H. R. 3682, assistance to war-incurred school enrollment.

The unification bill from the Committee on Expenditures will likely be reported and ready for action next week. The bill will be called whenever it is ready, possibly as early as Wednesday of next week.

Of course, conference reports will be in order at any time and may be called at any time; likewise, urgent rules that may be reported, may be called up at any time.

REPORTS ON H. R. 1468, 1470, AND 2271

Mr. HOBBS. Mr. Speaker, by authority of the two subcommittee chairmen I ask unanimous consent that the bills H. R. 1468, H. R. 1470, and H. R. 2271 may be reported at any time between now and midnight tomorrow, July 12.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

JOSEPH H. CALLAHAN, MINORITY EMPLOYEE

Mr. FORAND. Mr. Speaker, I offer a resolution (H. Res. 287) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That pursuant to the Legislative Pay Act of 1929, as amended, Joseph H. Callahan is hereby designated a minority employee (to fill an existing vacancy) until otherwise ordered by the House, and receive compensation at the basic rate of $5,000 per annum.

The resolution was agreed to.

BASEBALL GAME—REPUBLICANS VERSUS DEMOCRATS

Mr. BISHOP. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to make a statement.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BISHOP. Mr. Speaker, after the mixture of sugar and oil, tomorrow the Democrats will oppose the Republicans out at Griffith Stadium. I am sure that for this worthy cause the membership will show great interest and cooperation and make possible a large fund to the Metropolitan Police Boys' Club. I am sure, handling the Republican side of this baseball game, that you will be amazed at the fine talent that will be exhibited on the field tomorrow.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. BISHOP. I yield.

Mr. RAYBURN. Will the Democrats have anything to do with the selecting of the umpires?

Mr. BISHOP. I may say to the distinguished minority leader that the umpires have already been selected. The gentleman from Oregon [Mr. STOCKMAN] will represent the Republicans, and the gentleman from Oklahoma [Mr. ALBERT] will represent the Democrats.

Mr. SHAFER. Mr. Speaker, will the gentleman yield?

Mr. BISHOP. I yield.

Mr. SHAFER. I have been informed that the great broadcasting companies consider this game of such importance that it will be televised. Is that true?

Mr. BISHOP. That is true, and likewise it will be broadcast.

I may say to the membership that we might call on the grandstands for a little assistance, so come out tomorrow and be present.

I now yield to the gentleman from Illinois [Mr. PRICE].

The SPEAKER. The gentleman from Illinois [Mr. PRICE] is recognized.

Mr. PRICE of Illinois. After listening to the remarks of the manager of the Republican team I want to tell him that he is liable to be in the minority. I want the Democrats to be out there tomorrow in full force, because I believe we will show the Republicans that at least they will not have majority control of the diamond. We will have nine players, and I believe we will be able to take care of them.

Seriously, I wish to announce that Chief Justice Vinson will throw out the first ball. I hope you will circulate the word around. Let us have a big turn-out so we can raise some real money for the boys.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. PRICE of Illinois. I yield.

Mr. COOLEY. At what time is the game?

Mr. PRICE of Illinois. At 2:30 p. m. I want all the Democrats to be there at 1 o'clock.

EXTENSION OF REMARKS

Mr. SHAFER asked and was given permission to extend his remarks in the Appendix of the RECORD and include a report from his subcommittee.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made on the bill H. R. 4051 this afternoon and to include therewith portions of the Supreme Court decision to which I referred in those remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. YOUNGBLOOD asked and was given permission to extend his remarks in the RECORD.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the Appendix and include a radio address.

Mr. MANSFIELD of Montana. Mr. Speaker, I ask unanimous consent to insert my remarks on House Joint Resolution 237 immediately after the remarks of my colleague from Pennsylvania [Mr. FULTON] and to include in those remarks excerpts from a speech I made covering this subject last February 3.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD immediately following the bill H. R. 4051 and include in my remarks an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXPLANATION OF H. R. 4150, DESIGNATED AS AGRICULTURAL COORDINATION ACT OF 1947

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, just before the House adjourned yesterday, I introduced a bill the purpose of which is to provide for the coordination of agricultural soil and water conservation programs and is to be known and designated as the "Agricultural Coordination Act of 1947." It is H. R. 4150. I desire to discuss briefly the urgent need for such legislation. For many weeks my colleague, the gentleman from Colorado [Mr. HILL], and I have worked together in the preparation of the bill, and to avoid all possible criticism to the effect that the bill is involved, in any way, in partisan politics, the gentleman from Colorado [Mr. HILL] introduced an identical bill at the same time the H. R. 4150 was introduced by me. Mr. HILL's bill is H. R. 4151. Before writing the bill the gentleman from Colorado, Congressman HILL, and I discussed its provisions with farmers, farm leaders, and officials of the United States Department of Agriculture, and we believe that the bill is a proper approach to the problems with which it purports to deal. Of course, it is not a perfect piece of legislation. Since its paramount purpose is to coordinate the activities of governmental agencies and to avoid duplication and overlapping of effort and to economize in both money and men, it will naturally provoke controversy. It is not our purpose to insist upon hearings at the present session of Congress, since time and other pressing matters will not permit full and complete hearings before the adjournment of the present session. We do, however, hope that the bill and all of its provisions will be carefully considered and studied by the Membership of the House, by officials of both the Federal and State Governments by farmers and farm leaders between now and the convening of Congress in January.

For quite some time the farmers of the Nation have become increasingly concerned over the duplication and overlapping in governmental agencies. A multiplicity of governmental organizations engaged in similar activities and reaching out from Washington to deal with individual farms and farmers not only becomes bewildering and irritating but certainly cannot in any way be justified. The time has come when we should practice economy in government not by arbitrarily reducing appropriations but by a scientific method of selection. Unquestionably, there are flagrant violations of the true rule of real economy involved in the field of conservation. Unquestionably, there is a duplication of effort and a waste of manpower and money. The prevention of duplication and overlapping and the waste of manpower and money is the real objective of the legislation to which I have referred. In the programs and activities of agencies of the Government engaged in agricultural conservation, land use, and in assistance to farmers and farm planning, the administration should be coordinated and as far as possible decentralized, in the interest of economy, efficiency, and better service to farmers, if we are to achieve the maximum results and give assistance to the maximum number of farmers at a minimum cost to the Government.

The agricultural coordination bill seeks to correct this situation by spelling out specifically the duties and responsibilities of the officials of the agencies engaged in agricultural conservation and requiring effective coordination of their activities and programs. The bill does not abolish, handicap, or cripple any vital or needed service to farmers. It is not the purpose of the bill to abolish any worthwhile activity. On the contrary, we seek only to achieve greater results in conservation and to extend the benefits to the masses of farmers. By decentralizing the administration of the very vital and much-needed programs of the agencies involved, it will result in adapting conservation programs to the needs and conditions existing in the respective States and localities. The placing of greater responsibility at State and county levels will result in more efficient administration and more practical and satisfactory programs. The coordination of programs and activities and the elimination of duplication will make possible the saving of millions of dollars annually in administrative costs and will be in the greater interest of farmers and definitely in the interest of the general welfare.

Under the present situation, if a farmer is in need of advice and assistance in connection with soil-conservation programs and programs designed to aid him in good soil-conservation or building practices, such as terracing, contour farming, strip farming, drainage, and numerous other problems, it is difficult for him to determine the proper agency upon which to call, for the reason that the Extension Service, Soil Conservation Service, and the Agricultural Adjustment Administration, to say nothing of the agricultural teachers in the community, are all in a position to offer technical aid and assistance. The farmer, therefore, experiences difficulty in selecting the person to be called upon for assistance. In most of the agricultural communities of the Nation you will now

find agricultural extension agents, soil-conservation agents, triple A committeemen, and the teachers of vocational agriculture. Frankness required me to confess that in many communities these several agents have coordinated their activities quite well, but in other communities there is a rivalry and great waste, which can neither be tolerated nor justified. Frankness also requires me to admit that each of the agencies referred to have done splendid work in aiding the farmers of the Nation in the conservation of our greatest national resources, the fertility of the topsoil of American farmlands, and in the practice of the arts and skills of good farming. It would be difficult indeed to estimate the value of the great service which has been rendered to the farmers and to the Nation by the splendid work which has been done. It is the purpose of the agricultural coordination bill to make the work, the programs, and the efforts even more effective in the future than they have been in the past.

COORDINATION OF RESEARCH

The research work heretofore carried on by the Soil Conservation Service would be assigned to the Federal Office of Experiment Stations and to State agricultural experiment stations. The actual research work in the State experiment stations would be on a grant-in-aid basis, with the Federal Government acting as a coordinating agency. Although the State agricultural experiment stations were established for the purpose of providing research on all types of agricultural problems, including conservation, the Federal Soil Conservation Service has established its own soil conservation research stations. By assigning this work to the State experiment stations the bill would make it possible for these stations to coordinate research work with other related agricultural research and thereby achieve more effective results.

COORDINATION OF EDUCATIONAL AND TECHNICAL ASSISTANCE

The bill will eliminate the duplication, overlapping, and conflict among various agencies in furnishing educational, informational, demonstrational, and technical advice to farmers on agricultural conservation, land use, and farm planning by assigning these functions to one agency, the Agricultural Extension Service. This is the basic job for which the Extension Service was established, and it is unquestionably the best qualified agency to provide these services to farmers. In recent years, however, the several agencies with which the bill seeks to deal have been engaged in providing educational, informational, demonstrational, and technical advice direct to farmers with respect to each of the programs. This has resulted in duplication, conflict, and confusion. By coordinating these services in the extension service individual farmers could go to one agency of the Government and secure the necessary technical information and assistance in planning his own farming operations.

SOIL CONSERVATION SERVICE

The Soil Conservation Service, under the bill, would be transferred to the Extension Service at Federal, State, and local levels, but would continue to function in every vital part and parcel under the supervision of the Director of Extension Service in Washington, and as a division of the State extension service in the States. The program would be decentralized on a grant-in-aid basis. In every State the extension service would be required to maintain the Soil Conservation Service as a division of the State extension service. The State, area, and local offices of the Soil Conservation Service would be merged with the office of the agricultural extension service in the States and counties. Such of the personnel as may be deemed necessary will also be transferred to the extension service and authorized to carry on approved programs. The regional offices of the Soil Conservation Service would be abolished, as they would no longer be necessary. This would remove one layer of bureaucracy between the States and the Federal Government. Since the work of the Soil Conservation Service, other than research, consists almost entirely of educational, informational, demonstrational, and technical assistance to farmers, there is a definite and positive duplication of identical services now being rendered by the extension service.

The Extension Service was originally created for these specific purposes. Certainly coordination and a consolidation of such services should result in great economy and in more effective programs. The bill would not change or interfere in any way with the present set-up and operations of the State soil-conservation districts acts or the local soil conservation districts which are organized under such acts. These districts will have more real autonomy in carrying out their programs than they have under the present set-up under which the Federal Soil Conservation Service, through its regional offices, can dictate to the local districts what practices and programs they shall adopt. Under H. R. 4150 technical assistance to soil-conservation districts would be provided through the State extension service which is under State control on a cooperative basis between the counties and States and the United States Department of Agriculture.

The appropriations for the Soil Conservation Service would be placed on a grant-in-aid basis, of which not to exceed 10 percent would be allotted as grants to the State experiment stations for research work in conservation; not to exceed 88 percent would be allotted as grants to the State extension service, to maintain the services of the Soil Conservation Service in the States; and not to exceed 2 percent would be allotted to the Washington office of the Soil Conservation Service, which would be under the Director of Extension Service.

AGRICULTURAL-CONSERVATION PROGRAM

The agricultural-conservation program heretofore carried out by the Agricultural Adjustment Administration, now administered by the Production and Marketing Administration, would be decentralized so that the State committee in each State would be responsible for developing and administering the program in each State, subject to the approval of such program by the Secretary of Agriculture.

The conservation and other practices to be carried out in any State would be limited to those practices which are recommended by a technical committee to be composed of the director of the State extension service, the director of the State agricultural experiment station, the State commissioner of agriculture or like official, a representative to be designated by the State authority created by the Soil Conservation Districts Act or such representatives as they may jointly approve, designate, and appoint. This will assure that the practices which are included in the programs will be based upon the best scientific knowledge available and adapted to the local needs and conditions.

The bill provides for a more representative State committee, a State committee to consist of five farmer members and four ex officio members. The ex officio members would be the State director of extension service, State director of agricultural experiment station, State commissioner of agriculture or like official, and a representative designated by the State authority created by the State Soil Conservation District Act. In order to obtain the most capable members on the State committee the farmer members would be appointed by the Secretary of Agriculture, from lists submitted by the State director of extension, after consultation with State-wide farm organizations. In the event the first list of nominations is not deemed satisfactory, the Secretary might require additional lists to be submitted until a satisfactory list from which to make the appointments is received and approved.

The State committee would function only as a part-time, policy-making committee and would be authorized to employ an administrator and such other assistants as might be needed to carry out and discharge administrative duties, subject, of course, to the supervision and direction of the committee. In like manner, the county committee would be responsible for planning and carrying out the county agricultural conservation program. It would submit recommendations to the State committee with respect to the State program. The county committee would be enlarged by including a representative to be designated by the board of supervisors of the soil-conservation district in any county where such district exists in whole or in part.

The State and county committees would be confined to planning and administering the action phases of the agricultural conservation program. These committees would also continue to administer the regulatory enforcement and other administrative phases of the marketing quota divisions of the Agricultural Adjustment Act and also local phases of price-support programs now provided by existing law. The educational, informational, demonstrational, and technical phases of all programs would be handled and administered by the Extension Service in cooperation with State and county committees. The Extension Service, augmented by the Soil Conservation Service, would serve as technical ad-

visers to the State and county committees and to local soil-conservation districts, as well as to the individual farmers.

By including on the State and county committees representatives appointed by the States soil districts authority and local soil-conservation districts, the bill will facilitate the coordination of the agricultural conservation programs in the State and the conservation programs carried out locally by soil-conservation districts.

The appropriations for the programs of soil-bulding practices would be allotted to the States on the basis of need for agricultural soil and water conservation. Payments or grants to farmers would be conditioned upon utilization of land in conformity with soil-building and soil- and water-conserving practices adapted to the conditions in the several States and areas to be determined by the State and county committees.

If we admit the necessity for economy in Government and if Congress is constantly being criticized for failing to make a scientific search of the departments in an effort to find waste in manpower and money, the bill which I have introduced constitutes a challenge to every Member of the House, and especially is it a challenge to the House Committee on Agriculture. Unless those of us interested in the welfare of agriculture are impressed with the necessity for making every possible economy in the department which has been established, financed, and permitted to function in the interest of farmers, we should not be surprised if others interested in economy swing the ax hard and heavy on agricultural appropriations. We must take the agricultural picture apart and look at every agency, bureau, and commission, and we must demonstrate a real desire to economize and to make more efficient the agencies which we have created by many acts of Congress.

Upon the adjournment of the present session of Congress and when you return home to your constituents, I hope that you will discuss the provisions of H. R. 4150, to the end that you may be able to offer constructive criticism of the same when you return to Washington in January. Certainly neither my colleague, Congressman HILL, of Colorado, nor I have any possible purpose which should not likewise be your own.

EXTENSION OF REMARKS

Mr. KEFAUVER asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

SPECIAL ORDERS GRANTED

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes on Tuesday next following the regular business of the day and the special orders heretofore entered for that date.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes on Monday next following the special orders heretofore entered for that date.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. JACKSON of California. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes on Wednesday next following the legislative business of the day and the special orders heretofore entered for that date.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

THE FEDERAL LOYALTY BILL, H. R. 3813

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I want to thank my worthy colleagues who prepared H. R. 3813, the so-called Federal loyalty bill, for excluding from its provisions Members of Congress. I am glad we are left out. I am afraid if we had been included, and if the bill should pass, that many of us might very easily lose our jobs on charges of disloyalty to the United States. I am perfectly serious, Mr. Speaker. If Congressmen were included in this bill, it would be perfectly possible, for instance, to find that a group of us who advocate progressive taxation, with the heaviest burden placed on those most able to pay, were sympathetically associated with a subversive movement, and if they investigated us and found we also were sympathetically associated with a movement to have the Government construct some low-cost public housing and also belonged to a group advocating more stringent control of monopolies, we could easily be thrown out on our ear without any appeal or recourse.

And Mr. Speaker, although I am glad Congressmen are excluded from that kind of persecution under this bill, I do not want to see a million and a half Federal employees made subject to it. I do not want to see employees hounded and spied upon simply because of the views they hold or the legal organizations with whose aims they may, perchance, be sympathetic. It seems to me this bill would clearly violate the basic guaranties of liberty as well as the due-process clause contained in the Constitution. I think it is a very dangerous piece of legislation and I cannot support it.

There is no disagreement here that persons who are disloyal to the United States should be denied employment in the Government service. That is obvious and fundamental. We all agree about that. But first you have to decide what constitutes disloyalty, and secondly, you have to prove that the person charged with violating those standards is actually guilty. The way in which this bill proposes to go about those tasks is dangerous and fundamentally un-American.

Who is to be considered disloyal? Well, aside from the standards which already exist in our laws prohibiting espionage, sabotage, disclosure of confidential information, advocacy of the violent overthrow of the Government, and so forth, we have a new standard for judging Federal employees' loyalty. Section 8 (b), paragraph 6, of the bill reads:

> Membership in, affiliation with, or sympathetic association with, any foreign or domestic organization, association, movement, group, or combination of persons, designated by the Attorney General as totalitarian, Fascist, Communist, or subversive—

Personally, I do not know of an organization which is in any way concerned with social progress in this country which has not at one time or another been labeled Communist-dominated or at least subversive, and I am not excluding the Democratic Party. I am entirely unwilling to see a law put on the statute books which gives the Attorney General of the United States—whoever he may be—the absolute authority to decide on his own motion what organizations or movements or groups are to be proscribed as totalitarian, Fascist, Communist, or subversive. The Attorney General's list of disloyal organizations would be published from time to time in the Federal Register, and inclusion on such a list would probably be a death sentence for any organization or movement he decided to proscribe. That would be a grant of political power such as has never in American history been vested in any Government official.

I am unwilling, furthermore, to assume that any Government employee who might be considered "sympathetically associated" with any organization or movement condemned by the Attorney General is, therefore, ipso facto, disloyal to the United States.

This whole standard for judging the loyalty of Federal employees would place America in the same column with those totalitarian states we condemn so vigorously for interfering with free speech or free political association. If this bill should be enacted, I am afraid it would be pretty useless for the State Department's Voice of America to try to persuade Europeans of the blessings of democracy and political freedom in the United States.

Well, aside from this question of standards, what proof is required under this bill that an employee is guilty as charged? Mighty little, Mr. Speaker; perhaps none. A single loyalty review board is established by this bill. It would receive reports on all present or prospective Federal employees from the FBI, the House Committee on Un-American Activities, schools and colleges attended by the employee, and other sources, and it would decide whether or not the employee was to be charged with disloyalty. If he were so charged, he would get what the bill describes as a factual statement of the charges against him. Then he would have to prove that he was not guilty. And he would have to do that without seeing the evidence, or even knowing what it consisted of, without confronting the witnesses against him, or even knowing who they were. And if he could not prove his innocence to the satisfaction of this same board which brought

the charges, he would be found guilty and fired, without any further recourse. That is the procedure, Mr. Speaker, and it reverses every American principle of justice.

The accused is not confronted with the evidence against him. The accused is considered guilty unless he can prove himself innocent—since the hearing is before the same board which brought the charge. The board is, itself, prosecutor, judge, and jury. Under this bill, the employee may be discharged for acts which were in no sense proscribed by any law or governmental regulation at the time they were committed. And, finally, no record of the findings or proceedings of the review board need be made, so that any possible appeal for review by the courts would be virtually useless.

This is not American justice, Mr. Speaker; this sounds to me strangely like the so-called justice as administered in Nazi Germany before the war.

It seems to me, Mr. Speaker, that the Congress was very concerned last year about making administrative procedures conform to the fundamental concepts of due process and the rules of evidence. We passed a law to assure that administrative proceedings in the executive branch of the Government would conform to American traditions of judicial procedure. I think we would be terribly wrong to throw that out the window by passage of this bill, for certainly the procedures required in this bill are at complete variance with those set forth in the 1946 act.

I should like to warn the sponsors of this bill, who obviously want to see a large-scale witch hunt in the Federal service—and who hope, I believe, that they will gain some political advantage from it—that it is a dangerous thing to fool around with the other fellow's basic liberties. You are liable to wake up one morning and find your action has boomeranged and that what you have done is reduced liberty for yourself.

HAL C. WOODWARD AGAINST THOMAS J. O'BRIEN

The SPEAKER laid before the House the following communication; which was read and referred to the Committee on House Administration:

JULY 11, 1947.

The honorable the SPEAKER,
House of Representatives.

SIR: The motion to dismiss of the contestee in the contested election case of Harold C. Woodward against Thomas J. O'Brien for a seat in the House of Representatives from the Sixth Congressional District of the State of Illinois, filed in this office July 9, 1947, is transmitted herewith for reference to the appropriate committee.

Yours respectfully,
JOHN ANDREWS,
Clerk of the House of Representatives.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SCHWABE of Missouri (at the request of Mr. SCHWABE of Oklahoma), for Friday, July 11, 1947, on account of official business, conducting committee hearing of Committee on Education and Labor in New York.

To Mr. KEE (at the request of Mr. KIRWAN), for 5 days, on account of death in family.

To Mr. JUDD, for 1 day, on account of illness.

To Mr. BENNETT of Michigan (at the request of Mr. ARENDS), indefinitely, on account of illness.

EXTENSION OF REMARKS

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. PHILBIN] is recognized for 10 minutes.

PENDING VETERANS' LEGISLATION

Mr. PHILBIN. Mr. Speaker, the Veterans' Committee of the House, under the leadership of the very able and humane gentlelady from Massachusetts, has reported several bills affecting veterans, and I understand these measures are now pending in the Rules Committee. All these bills are of great interest and would, if enacted, be of substantial benefit to various classes of veterans. For the most part they seek to perfect existing law by broadening eligibility of amputees for automobiles, by increasing the minimum allowances payable for rehabilitation in service-connected cases, by providing for most desirable increases in subsistence allowances under the GI bill of rights and by extending the presumption of service connection, heretofore applied to tuberculosis, mental and nervous diseases, and some other maladies, to chronic and tropical diseases.

I am very much interested in these measures, because I believe they are necessary to close certain gaps that have appeared in the over-all rehabilitation program. It is hardly necessary to argue for these measures, because they are self-explanatory and are required to eradicate the shortcomings and limitations of existing legislation.

It is a matter of knowledge to all Members of the House that prices and living costs have increased substantially in recent months, and there is little evidence that this trend will shortly abate. This fact amply justifies increases in subsistence allowances for Government trainees, and it is appropriate not only that these increases should be provided for in service-connected cases but in all other cases where former members of the armed forces are pursuing training and education to fit themselves for leadership in business, craft, economic, and professional fields.

I am happy to state that my colleague the gentlelady from Massachusetts, with admirable devotion to the cause of the veteran, and her able committee, have labored with untiring energy and zeal to bring these measures to the floor. She has taken a special interest in the wounded and incapacitated, and especially the amputees, who should be, I submit, a very first charge upon our consideration and generosity. Many of these boys have been grievously wounded, maimed, and disfigured as a result of their valiant war service for us and for democracy. Their condition and plight deserves our utmost and constant attention. We must never forget them or overlook their needs. Congress has delayed to some extent in furnishing them with automobiles to provide for their comfort and well-being, out of which our amputees have derived much pleasure and happiness, and I believe that we should extend the coverage of this legislation to include still other classes of our maimed and wounded. The cost of these measures is trivial compared to the sacrifice of these boys. At a time when we have been pouring and lavishing billions upon peoples in foreign lands, we should have, I think, some concern for providing for those who sacrificed so much in our behalf during the war, and who are now seeking the chance to get proper care, treatment, and the opportunity to live the balance of their lives in relative security and comfort. As to some, there is little more they can derive from life. Let us answer their plea.

The case for extending the presumptive clauses to chronic and tropical diseases is, to my mind, unanswerable. Every Member of this House has knowledge of some constituents who were wholly well and physically sound before entering the service but who as a result of service now suffer from some disease indigenous to malarial-infested swamps or fever-ridden jungles of the Tropics, or some other chronic disease traceable to war service. This Congress has authorized billions of dollars for the general purposes of the Government and for foreign relief. Some speak of the need for economy and I agree with their premise in general. We are desirous of economizing, of balancing the budget, reducing the debt, and putting our financial affairs in order. But in the name of justice and decency and gratitude for selfless sacrifice, let us not try to economize at the expense of those who were disabled, wounded, and maimed physically and mentally in the last great war. Let us move now before adjournment promptly to take up and pass all the principal measures which have been reported from the committee of the distinguished gentlelady from Massachusetts. Not only will those concerned be appreciative of this action on our part but the whole country, always eager to serve our veterans and discharge in part our great debt to them, will approve and applaud our favorable action on this legislation in behalf of our beloved veterans.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3647. An act to extend certain powers of the President under title III of the Second War Powers Act and the Export Control Act, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 564. An act to provide for the performance of the duties of the office of President in case of removal, resignation, death, or inability both of the President and Vice President.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1585. An act for the relief of Adolph Pfannenstiehl;

H. R. 1658. An act for the relief of Norman Thoreson and Thoreson Bros., a partnership;

H. R. 1954. An act for the relief of Robert Hinton; and

H. R. 1956. An act for the relief of Hugh C. Gilliam.

ADJOURNMENT

Mr. McDONOUGH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 12 minutes p. m.), under its previous order, the House adjourned until Monday, July 14, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

914. A letter from the Secretary of War, transmitting a draft of a proposed bill to establish eligibility for burial in national cemeteries, and for other purposes; to the Committee on Public Lands.

915. A letter from the Secretary of War, transmitting a draft of a proposed bill to authorize the President of the United States of America to direct the United States Maritime Commission to charter certain vessels to persons not citizens of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

916. A communication from the President of the United States, transmitting drafts of proposed provisions pertaining to existing appropriations of the United States Maritime Commission (H. Doc. No. 394); to the Committee on Appropriations and ordered to be printed.

917. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the fiscal year 1944 in the amount of $730,000 for the Navy Department and the Naval Establishment (H. Doc. No. 395); to the Committee on Appropriations and ordered to be printed.

918. A communication from the President of the United States, transmitting a supplemental estimate of appropriation in the amount of $2,350 for the legislative branch, House of Representatives (H. Doc. No. 396); to the Committee on Appropriations and ordered to be printed.

919. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $861,000 for the Department of Agriculture (H. Doc. No. 397); to the Committee on Appropriations and ordered to be printed.

920. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the fiscal year 1947 in the amount of $23,000,000 for the Navy Department and the Naval Establishment (H. Doc. No. 398); to the Committee on Appropriations and ordered to be printed.

921. A communication from the President of the United States, transmitting a revised estimate of the administrative expenses for the Reconstruction Finance Corporation and its subsidiaries for the fiscal year 1948, involving a decrease of $10,917,300, in the form of amendments to the budget for said fiscal year (H. Doc. No. 399); to the Committee on Appropriations and ordered to be printed.

922. A letter from the Administrator, National Housing Agency, transmitting a draft of a proposed bill for the relief of John E. Peterson; to the Committee on the Judiciary.

923. A letter from the Acting Administrator, Federal Security Agency, transmitting a draft of a proposed bill to amend the Social Security Act in connection with the payment of postage for unemployment-compensation mail and payments to the States which have submitted plans under title I, IV, V, or X of such act, and for other purposes; to the Committee on Ways and Means.

924. A letter from the Clerk of the House of Representatives, transmitting motion to dismiss of the contestee in the contested election case of Harold C. Woodward against Thomas J. O'Brien for a seat in the House of Representatives from the Sixth Congressional District of the State of Illinois (H. Doc. No. 400); to the Committee on House Administration and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LECOMPTE: Committee on House Administration. Senate Joint Resolution 129. Joint resolution to provide for the appropriate commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia; without amendment (Rept. No. 874).

Mr. LECOMPTE: Committee on House Administration. House Resolution 281. Resolution providing additional compensation for certain employees of the House of Representatives; without amendment (Rept. No. 875).

Mr. LECOMPTE: Committee on House Administration. House Resolution 282. Resolution authorizing the payment of 6 months' salary and funeral expenses in the case of William M. Day, late an employee of the House; without amendment (Rept. No. 876).

Mr. LECOMPTE: Committee on House Administration. House Resolution 283. Resolution authorizing the Clerk of the House of Representatives to approve payment of gratuities during the recess of Congress; without amendment (Rept. No. 877).

Mr. HOPE: Committee on Agriculture. S. 512. An act to extend provisions of the Bankhead-Jones Farm Tenant Act and the Soil Conservation and Domestic Allotment Act to the Virgin Islands; without amendment (Rept. No. 878). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAND: Committee on Merchant Marine and Fisheries. H. R. 3619. A bill relating to the sale of the Mission Point Lighthouse Reservation, Grand Traverse County, Mich.; with an amendment (Rept. No. 879). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2873. A bill to amend certain provisions of the Reclamation Project Act of 1939; with amendments (Rept. No. 880). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3371. A bill to transfer jurisdiction of certain lands comprising a portion of Acadia National Park, Maine, from the Department of the Interior to the Department of the Navy, and for other purposes; without amendment (Rept. No. 881). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2793. A bill authorizing an appropriation for the construction, extension, and improvement of a State tuberculosis sanatorium at Galen, Mont., to provide facilities for the treatment of tuberculous Indians in Montana; with amendments (Rept. No. 882). Referred to the Committee of the Whole House on the State of the Union.

Mr. HINSHAW: Committee on Interstate and Foreign Commerce submits a report on aids to air navigation and landing; without amendment (Rept. No. 885). Referred to the Committee of the Whole House on the State of the Union.

Mr. MICHENER: Committee on the Judiciary. House Resolution 254. Resolution directing the Secretary of State to transmit forthwith to the Committee on the Judiciary certain documents, records, and memoranda relating to one Serge Rubinstein; without amendment (Rept. 886). Referred to the House Calendar.

Mr. MICHENER: Committee on the Judiciary. House Resolution 255. Resolution directing the Attorney General to transmit forthwith to the Committee on the Judiciary certain documents, records, and memoranda relating to one Serge Rubinstein; without amendment (Rept. No. 887). Referred to the House Calendar.

Mr. CORBETT: Committee on Post Office and Civil Service. H. R. 4127. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended; without amendment (Rept. No. 888). Referred to the Committee of the Whole House on the State of the Union.

Mr. FULTON: Committee on Foreign Affairs. House Joint Resolution 233. Joint resolution authorizing the President to approve the trusteeship agreement for the Territory of the Pacific Islands; without amendment (Rept. No. 889). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 4079. A bill to amend the Taylor Grazing Act of June 28, 1934 (48 Stat. 1269), as amended June 26, 1936 (49 Stat. 1976); without amendment (Rept. No. 890). Referred to the Committee of the Whole House on the State of the Union.

Mr. BEALL: Committee on the District of Columbia. S. 924. An act to credit active service in the military or naval forces of the United States in determining eligibility for and the amount of benefits from the policemen and firemen's relief fund, District of Columbia; without amendment (Rept. No. 892). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA: Committee on the District of Columbia. S. 1462. An act to authorize the official reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes; without amendment (Rept. No. 894). Referred to the Committee of the Whole House on the State of the Union.

Mr. BEALL: Committee on the District of Columbia. H. R. 2471. A bill to provide for periodical reimbursement of the general fund of the District of Columbia for certain expenditures made for the compensation, uniforms, equipment, and other expenses of the United States Park Police force; without amendment (Rept. No. 895). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA: Committee on the District of Columbia. H. R. 2984. A bill to amend the act of June 1, 1910, so as to regulate the installation of radio or television transmitting antennae, masts, or other structures in the District of Columbia; with amendments (Rept. No. 896). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA: Committee on the District of Columbia. H. R. 3045. A bill to place the Office of Recorder of Deeds of the District of Columbia under the jurisdiction, supervision, and control of the Commissioners of the District of Columbia, and for other purposes; with amendments (Rept. No. 897). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA: Committee on the District of Columbia. H. R. 3852. A bill to amend the act entitled "An act for the retirement of public school teachers in the District of Columbia," approved August 7, 1946; without amendment (Rept. No. 898). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on the District of Columbia. H. R. 3873. A bill to redefine the powers and duties of the Board of Public Welfare of the District of Columbia, to establish a Department of Public Welfare, and for other purposes; with amendments (Rept. No. 899). Referred to the Committee of the Whole House on the State of the Union.

Mr. BEALL: Committee on the District of Columbia H. R. 3978. A bill to provide for the temporary advancement in rank and increase in salary of lieutenants in the Metropolitan Police force of the District of Columbia serving as supervisors of certain squads; without amendment (Rept. No. 900). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIRKSEN: Committee on the District of Columbia. H. R. 3998. A bill to provide for regulation of certain insurance rates in the District of Columbia, and for other purposes; without amendment (Rept. No. 901). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. H. R. 1215. A bill for the relief of Kazue Oda Takahashi; with an amendment (Rept. No. 883). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 3088. A bill for the relief of William Dudley Ward-Smith; without amendment (Rept. No. 884). Referred to the Committee of the Whole House.

Mr. O'HARA: Committee on the District of Columbia. S. 1402. An act to authorize the parishes and congregations of the Protestant Episcopal Church in the District of Columbia to establish bylaws governing the election of their vestrymen; without amendment (Rept. No. 893). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRADLEY:

H. R. 4155. A bill to declare certain rights of citizens of the United States, and for the better assurance of the protection of such citizens and other persons within the several States from mob violence and lynching, and for other purposes; to the Committee on the Judiciary.

By Mr. CELLER:

H. R. 4156. A bill to provide citizenship for persons with maritime wartime service, and for other purposes; to the Committee on the Judiciary.

By Mr. ENGLE of California:

H. R. 4157. A bill to authorize the American River Basin development, California, for irrigation and reclamation and other purposes; to the Committee on Public Lands.

By Mr. KEFAUVER:

H. R. 4158. A bill to amend the Reconstruction Finance Corporation Act, as amended; to the Committee on Banking and Currency.

By Mr. LECOMPTE:

H. R. 4159. A bill to provide for equitable adjustment of the insurance status of certain members of the armed forces; to the Committee on Veterans' Affairs.

By Mr. PHILLIPS of Tennessee:

H. R. 4160. A bill to amend the National Service Life Insurance Act of 1940, as amended; to the Committee on Veterans' Affairs.

By Mr. PRICE of Florida:

H. R. 4161. A bill to provide that transfers of obsolete and condemned vessels by the Secretary of the Navy shall become effective 30 days after having been reported to the Congress if not disapproved by the Congress within such 30-day period; to the Committee on Armed Services.

By Mrs. ROGERS of Massachusetts:

H. R 4162. A bill to provide military status for women who served overseas with the Army of the United States during World War I; to the Committee on Armed Services.

By Mr. WEICHEL:

H. R. 4163. A bill to authorize medical and hospital service for those employed in the maritime service, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 4164. A bill to authorize a preliminary examination, study, and survey of the area in the vicinity of Bellevue, Ohio, and surrounding area; to the Committee on Public Works.

By Mr. HOWELL:

H. R. 4165. A bill to amend the Federal Airport Act; to the Committee on Interstate and Foreign Commerce.

By Mr. LEMKE:

H. R. 4166. A bill providing for Congress to coin and issue money and regulate the value thereof by establishing the Bank of the United States, owned, operated, and controlled by the Government of the United States; setting forth the scope and manner of the bank's operations; creating a Board of Control and defining the powers and duties of the Board and other persons charged with the bank's management; and for other purposes; to the Committee on Banking and Currency.

By Mr. D'EWART:

H. R. 4167. A bill to authorize the State of Montana to lease her State lands for the production of oil, gas, and other hydrocarbons for such terms of years and on such conditions as may be from time to time provided by the Legislative Assembly of the State of Montana; to the Committee on Public Lands.

By Mr. JONKMAN:

H. R. 4168. A bill to provide for the reincorporation of the Institute of Inter-American Affairs, and for other purposes; to the Committee on Foreign Affairs.

By Mr. NORRELL:

H. R. 4169. A bill to amend section 401 of the Civil Aeronautics Act of 1938, so as to permit the granting of authority for temporary emergency service of air carriers; to the Committee on Interstate and Foreign Commerce.

By Mr. PETERSON:

H. R. 4170. A bill to provide for payment to the widows or next of kin of persons entitled to annuities for work on the Panama Canal such sums as were due but not paid at the death of such annuitants; to the Committee on Merchant Marine and Fisheries.

By Mr. YOUNGBLOOD:

H. R. 4171. A bill providing for the preservation of Fort Wayne Military Reservation, Detroit, Mich., for park use; to the Committee on Armed Services.

By Mr. LANE:

H. R. 4172. A bill granting the consent and approval of Congress to an interstate compact relating to control and reduction of pollution in the waters of the New England States; to the Committee on Public Works.

By Mr. BAKEWELL:

H. R. 4173. A bill to amend section 3403 of title 26 of United States Code; to the Committee on Ways and Means.

By Mr. BOGGS of Louisiana:

H. R. 4174. A bill to authorize payment of pensions to certain World War I veterans for partial disabilities not the result of service; to the Committee on Veterans' Affairs.

By Mr. SOMERS:

H. J. Res. 237. Joint resolution relating to Palestine; to the Committee on Foreign Affairs.

By Mrs. ROGERS of Massachusetts:

H. Res. 284. Resolution providing for the consideration of H. R. 3889; to the Committee on Rules.

By Mr. BUCK:

H. Res. 285. Resolution creating a select committee to conduct an investigation and study of matters pertaining to entry into the United States of one Serge Rubinstein, his subsequent activities, etc.; to the Committee on Rules.

H. Res. 286. Resolution providing for the expenses of the investigation and study authorized by House Resolution 285; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California:

H. R. 4175. A bill for the relief of Sprague B. Wyman; to the Committee on Armed Services.

By Mr. BAKEWELL:

H. R. 4176. A bill for the relief of W. T. Evans; to the Committee on the Judiciary.

By Mr. HOWELL:

H. R. 4177. A bill for the relief of William L. Cunliffe; to the Committee on the Judiciary.

By Mr. KENNEDY:

H. R. 4178. A bill for the relief of Josephine Lisitano; to the Committee on the Judiciary.

By Mr. KIRWAN:

H. R. 4179. A bill for the relief of Paul E. Rocke; to the Committee on the Judiciary.

By Mr. McMAHON (by request):

H. R. 4180. A bill for the relief of Rolph J. Lackner; to the Committee on Armed Services.

By Mr. PATTERSON:

H. R. 4181. A bill to provide for the admission to citizenship of George Haniotis; to the Committee on the Judiciary.

By Mr. SIKES:

H. R. 4182. A bill to authorize and direct the Secretary of the Interior to sell to Albert M. Lewis, Jr., certain land in the State of Florida; to the Committee on Public Lands.

PETITIONS, ETC.

Under clause 1 of rule XXII,

740. Mr. CASE of South Dakota presented a petition of Edward Huether, president, Cane Creek Cooperative Grazing District, Conata, S. Dak., and 12 other signers, expressing themselves as being opposed to consideration and enactment of H. R. 1692, which proposes to grant the Secretary of Agriculture authorization to dispose of submarginal lands acquired under the Bankhead-Jones Farm Tenant Act, based on appraisals of reasonable normal value, which was referred to the Committee on Agriculture.